



*Trust • Excellence • Service*

**State Of Georgia**

**Department of Administrative Services (DOAS)**

**On Behalf of**

**The Georgia Department of Community Health**

**Request For Proposals**

**For The**

**Medicaid Pharmacy Rebate And  
Supplemental Rebate Programs**

**RFP NUMBER # 419000-001-0000000012**

**Released on February 12, 2004**  
**Due On: March 12, 2004**

## **TABLE OF CONTENTS**

<b>SECTION</b>	<b>DESCRIPTION</b>
<b>A.</b>	<b>SCOPE OF SERVICES AND REQUIREMENTS</b>
1.	<b><u>Project Summary</u></b>
2.	<b><u>Schedule</u></b>
3.	<b><u>Contract Term</u></b>
4.	<b><u>Project Statement of Work</u></b>
4.1	<b><u>Mandatory Project Specifications</u></b>
4.2	<b><u>Minimum Vendor Requirements</u></b>
4.3	<b><u>General Requirements</u></b>
4.3.1	<b>Acquisition of Data</b>
4.3.2	<b>Invoice Processing &amp; Functional Activities</b>
4.3.3	<b>Postage</b>
4.3.4	<b>Reporting</b>
4.3.5	<b>Accounting for Rebate Activity</b>
4.3.5.1	<b>Accounting for Supplemental Rebate Activity</b>
4.3.6	<b>Training</b>
4.3.7	<b>Review &amp; Resolution Procedures</b>
4.3.7.1	<b>Dispute Resolutions</b>
4.3.8	<b>Quality Assurance</b>
4.3.9	<b>Technical Support Features of the Medicaid Drug Rebate System</b>
4.3.10	<b>Administrative, Logistical Security and Physical Security</b>
4.3.11	<b>Program Phases</b>
4.3.11.1	<b>Start-up/Finalization Phase</b>
4.3.11.2	<b>Enhancement Phase</b>
4.3.11.3	<b>Testing Phase</b>
4.3.11.4	<b>Implementation Phase</b>
4.3.12	<b>Operations and Maintenance Phase</b>
4.3.13	<b>Vendor's Access to Fiscal Agent and Pharmacy Benefits Manager</b>
4.3.14	<b>Record Retention</b>
4.3.15	<b>Business Continuity and Disaster Recovery</b>
4.3.16	<b>Turnover Tasks</b>
4.3.17	<b>Turnover</b>
4.3.18	<b>Staffing</b>
4.3.19	<b>Office Space, Materials and Supplies</b>
4.3.20	<b>Weekly Status Reports</b>
4.3.21	<b>Meeting Requirements</b>
4.3.22	<b>Security</b>

**B. INSTRUCTIONS AND INFORMATION**

- 5. Process for Submitting Proposals**
- 6. Evaluation Criteria**
- 7. Standard Terms and Conditions**

<b><u>APPENDIX A</u></b>	<b>AGREEMENT TO MANDATORY PROJECT SPECIFICATIONS</b>
<b><u>APPENDIX B</u></b>	<b>REQUIRED CONTENT (Format) OF TECHNICAL PROPOSAL</b>
<b><u>APPENDIX C</u></b>	<b>COST PROPOSAL FORM</b>
<b><u>APPENDIX D</u></b>	<b>PROPOSAL FORM</b>
<b><u>APPENDIX E</u></b>	<b>SAMPLE CONTRACT</b>
<b><u>APPENDIX F</u></b>	<b>SMALL OR MINORITY BUSINESS FORM</b>
<b><u>APPENDIX G</u></b>	<b>PROJECT SPECIFIC BACKGROUND</b>
<b><u>APPENDIX H</u></b>	<b>GLOSSARY</b>
<b><u>APPENDIX I</u></b>	<b>TECHNICAL QUESTIONNAIRE</b>
<b><u>APPENDIX J</u></b>	<b>REFERENCE FORMS</b>
<b><u>APPENDIX K</u></b>	<b>FORM TO BE USED FOR QUESTIONS</b>

## **A. SCOPE OF SERVICES AND REQUIREMENTS**

### **1. PROJECT SUMMARY**

The Georgia Department of Community Health, Medical Assistance – Pharmacy Division (hereinafter referred to as “DCH/DMA”) is requesting proposals for a Medicaid Pharmacy Rebate and Supplemental Rebate vendor. The objective of this procurement is to obtain the services of a qualified and experienced firm to obtain and account for Medicaid fee-for-service Pharmacy Rebates and Supplemental Rebates. **Please see Section 4, Scope of Work and Appendix G, Project Background for information and details on this project.** Proposals must be received no later than 1:00 P.M. Eastern Standard Time on March 12, 2004, and proposals should be sent to:

**Department of Administrative Services  
State Purchasing Office  
200 Piedmont Avenue, SE  
Suite 1308 (Bid Room), West Tower  
Atlanta, GA 30334-9010  
Attn.: Barry Shepard**

### **2. SCHEDULE**

This request for proposals will be governed by the following schedule:

February 12, 2004	Release of RFP
February 17, 2004	Deadline for Written Questions
February 20, 2004	Answers Posted to GA Procurement Registry Website
March 12, 2004	Proposals Due
March 31, 2004	Contract Award (on/about)
April 1, 2004, through June 30, 2004	Implementation Period
July 1, 2004	Contractor Begins Work

### **3. CONTRACT TERM**

The first contract term shall be **from execution until June 30, 2005**. The implementation period shall be from April 1, 2004, through June 30, 2004, and the successful Offeror will be responsible for invoice processing for Fee-for-Service Medicaid and Supplemental Rebates for the second calendar quarter of 2004 (April through June) in accordance with the Centers for Medicare and Medicaid Services’ (CMS) guidelines. The contract may renew, at DCH’s discretion, up to four (4) additional contract periods of one State Fiscal Year each (July 1- June 30). Award will be through the issuance of a Notice of Award document. The Renewal is contingent upon successful contract performance and availability of funds. Renewal(s) will be in the form of a Notice of Award Amendment to the contract.

## 4. PROJECT STATEMENT Of WORK

### 4.1 Mandatory Project Specifications

The following areas have been determined as technical mandatory requirements for the project scope. The successful Offeror must be able to meet each of the following requirements. Offerors will indicate their understanding and ability to perform these tasks on the form provided at Appendix A to the RFP in addition to responding to the requirements in their Technical Proposal.

1. Offeror must have rebate invoicing and processing experience on the national level.
2. The Offeror must be, and remain, in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to ensure security and confidentiality of the data and records associated with the programs; and
3. Offeror must have negotiated State-specific Supplemental Rebates.

### 4.2 Minimum Vendor Standards/Requirements

The successful Offeror is responsible for the electronic receipt of paid claims data from the State's Fiscal Agent and its Pharmacy Benefits Manager (PBM), for invoicing and accounting for any and all Medicaid fee-for-service drug rebates and supplemental rebates that will be received. The Offeror's system must also have the capability to accommodate the quarterly receipt of tapes from CMS. It is the responsibility of the Offeror to know the terms and conditions of the CMS rebate program. It is also necessary for the Offeror to remain current and compliant with the regulations and to provide technological enhancements, which will accommodate the required rebate services. It will be necessary for the Offeror to become and remain compliant with the provisions of the Health Insurance Portability and Accountability Act (HIPAA) for the duration of the contract.

Due to the vast requirements of this project the Department of Administrative Services (DOAS) and the Georgia Department of Community Health's (DCH) Division of Medical Assistance have established minimum pre-existing requirements or standards for the successful Offeror of this procurement. All parties to the bid process must individually (per company) meet the minimum standards/requirements and must have **ALL** of the following experiences and capabilities to continue competition in this vendor procurement process:

- a. Current corporate experience with drug rebate business provided to other companies, inclusive of special drug rebate negotiations and processing experience. The Contractor's staff reviewing and making recommendations to DCH must include a Georgia- licensed pharmacist, or Georgia-licensed physician. The Contractor must provide staff experienced in the negotiation of rebates with the various drug manufacturers.
- b. Client performance references for the immediate past 3 years. **DCH will consider the performance history from Offerors who have or are currently doing business with the DCH or the State of Georgia or both in the evaluation phase of this procurement.**

- c. Proof of having collected not less than 95% of invoiced rebates for clients with less than five percent (5%) error for the fiscal year noting the clients for which they were obtained.
- d. Written assurance for DCH/DMA documenting that the award of this rebate business will not result in more than a 30% increase over current volumes of rebate business. Additionally, the Offeror must have the ability to process rebates from a total of 20,000,000 paid claims per year (CY 03 claims) and the scalability to process an estimated 20% increase in the number of paid claims per year.
- f. Financial viability, as evidenced by sustained bottom line profitability and no current areas of significant financial risk for the past 3 - 5 years.
- g. The capability and agreement to work with any of the existing DCH third party vendors whose roles may be elected to continue.
- h. A local office for account management within a 25 mile radius of DCH's offices unless approved by DCH, and a secure off-site storage facility or demonstrate the willingness and capability to acquire both.
- i. The system capability to accommodate the quarterly transmission of data from the Centers for Medicare and Medicaid Services (CMS) by tape or electronic data transfers.
- j. The system capability for business network integration.

### 4.3 General Requirements

For each of the following, the Technical Proposal should address methodologies to be used for invoicing and collection of both Medicaid-Fee-for-Service Rebates and Supplemental Rebates, with pertinent time lines, personnel and other relevant information, in order to implement the Scope of Work successfully to achieve full compliance with all tasks and deliverables. The Offeror shall identify any information or resources needed from the Department in order to perform any of the work. Additionally, the proposed Offeror must demonstrate its experience with Supplemental Rebates and give, in detail, its negotiation activity history. The rebate vendor is required to have the capability of expanding its scope of operations to include negotiations, invoicing and accounting for drug rebates in conjunction with other initiatives or programs that DCH may choose to participate.

The following are General Requirements:

- The Offeror must furnish all software, hardware, telecommunications equipment, telecommunications software, other equipment, training and support necessary to customize its existing Medicaid rebate and Supplemental Drug Rebate processing system to meet the requirements of the Georgia Medicaid fee-for-service program. All systems modifications or adjustments and training costs are included in the contracted amount **identified in the Cost Proposal**.
- The Offeror must meet all current and any newly modified federal standards or requirements for the operation of the drug rebate system including assessments

conducted by the CMS or federal and State auditors. For this and other purposes all references to collection, accounting and reporting of rebates are inclusive of both the National Rebates per CMS guidelines and Supplemental Rebates as approved by CMS.

- The Offeror must meet the requirements of any new or modified drug rebate legislation (Federal or State) or additional regulations that may be ratified during the contract term at no cost to DCH. The Offeror's responsibility shall include modifying its Drug Rebate System and processes so that it conforms to legislation and supplying the Department of Community Health - Division of Medical Assistance (hereinafter referred to as "DCH/DMA") with documented changes made and results accomplished.

#### 4.3.1 Acquisition of Data

In order to create drug rebate invoices the Offeror must acquire the following data at its own expense:

- All claims data from DCH's Pharmacy Benefits Manager's (hereinafter "PBM") prescription processing system or DCH's Fiscal Agent or both, monthly, using computer programs with hardware and software that is compatible, accepts and facilitates the use of data efficiently. (See Fig. 2.1, Appendix G.);
- Rebate information from CMS, quarterly, using compatible, interactive computer programs;
- Information on the CMS website for participating manufacturers whose National Drug Code(s) (hereinafter NDCs or NDC) are rebate-eligible. Review previous and current information per CMS releases to verify information to be used in the rebate processes. (***NOTE: Manufacturers not participating in the national CMS rebate program will not be allowed to participate in the Supplemental Rebate program for Georgia DMA.***); and
- All rebate documents stored by the current vendor from its offsite storage facility as outlined in a coordinated plan between the two vendors, with a timeline that includes complete transfer prior to start up of the successful Offeror.

#### 4.3.2 Invoice Processing and Functional Activities

Offeror's customized drug rebate system must be able to accomplish the following activities and make corrections for non-compliance where applicable:

- Download and identify all exempt Public Health Service (PHS) providers, quarterly with 100% accuracy, prior to processing current invoices;
- Prorate any units used by PHS providers classified as such for only a portion of the quarter, invoice labelers with correction(s) and use conversion files to accurately determine utilization;
- Develop a comprehensive J-code crosswalk for injectable drugs to ensure correct pricing and payments;
- Use comprehensive J-code integration and crosswalks or NDCs to bill for injectables on claims submitted by physicians;

- Record rates from the CMS tape, calculate, create and send invoices to drug manufacturers, with 98% accuracy, within fifteen (15) calendar days upon receipt of the tape based on NDCs from paid claims data;
- Include a statement on the summary page of the invoices that interest will begin to accrue on disputes and unpaid balances on the 38<sup>th</sup> calendar day after the date of the quarter's invoice date;
- Calculate all Prior Period Adjustments (PPAs) reported on the CMS tape (correction flag = 2 or 3);
- Exclude PPAs from the rebate invoice total due and report as informational data to be utilized by manufacturers in the calculation of rebates due;
- Review invoices prior to mailing, searching for unusually high dollar items on any one line, very low dollar amounts, and all 9s or 0s in the Rebate Per Unit Amount (hereinafter "RPU") field;
- Calculate units and corresponding RPUs for billing, then create invoices within fifteen (15) calendar days of notification for NDCs which were not on the original CMS rebate tape as identified by the manufacturer and verified by CMS;
- Calculate and create invoices at the applicable rebate rates for the National Rebate Program, within fifteen (15) calendar days from receipt of the CMS tape;
- Process and invoice the paid claims data for State Supplemental Rebates for NDCs of drug manufacturers for which the State has a signed agreement within 60 days from the end of the quarter;
- Create invoices for zero (0) rebate amounts with the necessary utilization data so that the manufacturer can research and provide the correct RPUs to make adjustments;
- Calculate and create invoices for any and all rebates identified by DCH for products reimbursed by the Medicaid program for its members;
- Accumulate and monitor all records in paid claims data which do not have a corresponding NDC or RPU on the current rebate tape, then calculate and create invoices when the NDC or RPU is finally submitted;
- Submit quarterly reports of manufacturers' invoice information to CMS per CMS's requirements;
- Process, adjust, correct and resolve all outstanding rebates and disputes dating from 1991 to present as determined to require service;
- Link proprietary (brand name) drugs and injectables or both, which are paid to physicians, not by NDC, but by J-CODES to facilitate production of the J-Code list, quarterly;
- Provide on-line (web-based) history and maintenance of a minimum of thirty-six (36) months of manufacturer detail-level account information including invoices, payments, interest, adjustments and disputes;
- Re-create past invoices within five (5) calendar days of request, in the event replacements are necessary;
- Maintain on-line current manufacturer contact names, addresses for invoice mailing, telephone and fax numbers and e-mail addresses;
- Provide for the reporting of invoices on paper, electronically, via diskette or CD ROM, or on a secure Internet site in order to meet the array of manufacturers' needs;
- Provide the necessary format conversions, using a web-enabled system, to interface with different manufacturers having varying technological requirements;

- Provide a help desk for the acceptance of telephone calls from manufacturers;
- Analyze on a quarterly basis, or as defined by DCH/DMA, variance reports and provide a complete summary if needed;
- Negotiate Supplemental Rebate Agreements, invoice, receive payment information, account for and report to the State for all activity pertinent to Supplemental Rebates in accordance with section 1927 of the Social Security Act and all other rules and regulations governing drug rebate;
- Review current manufacturer Supplemental Rebate data and make recommendations to the Department for specific drugs that demonstrate the greatest possibility of both therapeutic value and cost savings through Supplemental Rebates. The Department will review the recommendations in conjunction with evidence-based data;
- Obtain the Supplemental Rebates based on the clinical recommendations of the Drug Utilization Review Board (DURB) and the Internal Clinical Committee's recommendations as approved by the Department;
- Negotiate or renegotiate Supplemental Rebates as needed throughout the year for drugs that are added to the Pharmacy Program, newly approved drugs, or as requested by the Department;
- Prepare reports that include price comparisons, overall savings, impact on Pharmacy Management Programs, and other pertinent information and other ad hoc reports as requested by the Department;
- Provide annual opportunities for manufacturers to amend rebate agreements or to provide new manufacturers the opportunity to participate in the Supplemental Rebate program;
- Prepare, process, mail invoices and maintain records for the State Supplemental Rebate Agreements in the same manner as for other rebate programs;
- Review invoices for accuracy and make corrections before forwarding to DCH/DMA for review and approval;
- Provide for DCH/DMA approval, a sample of current quarter invoices for quality assurance purposes;
- Prepare for mailing and mail invoices to manufacturers;
- Forward system output reports (either hardcopy or via Computer Output to Laser Disk (COLD) technology) to DCH/DMA; and
- Provide a location for receipt of documents which includes:
  - a) street address;
  - b) Post Office box number, if applicable;
  - c) contact person's name;
  - d) a telephone and fax number; and
  - e) e-mail address.

#### **4.3.3 Postage**

**All postage related to and in the performance of this Contract is to be at the expense of the Offeror.**

#### **4.3.4 Reporting**

The Offeror must provide reports to CMS as required per the rebate program. Offeror must also provide reports to notify and inform DCH/DMA, or its agents, regarding significant or outlier activity in the paid claims data that is reported and processed for invoicing. A description for utilization and resolution of report

information determined to be discrepant or excessive is required. All reports to DCH will be provided on-line, on CD ROM or desktop claim level detail via a web browser that is easily exportable; except as specified by DCH to be delivered quarterly on paper. None of the reports included herein, or later designated and required will be billed in addition to the contractual agreement. Reports for Supplemental Rebates invoiced must be done quarterly and submitted to DCH in a timely manner following closely the same guidelines as stated herein. Reports not previously identified or requested may be submitted by the Offeror for review and approval by DCH providing information necessary to allow efficient management of the contract. The reports submitted to DCH should include but not be limited to the following information:

- Notification to DCH of the date that the rebate drug file, with RPU's, is received from CMS, date paid claims data is received from DCH's PBM and its Fiscal Agent and the mailing date of the invoices.
- Total of all claims received, total of those unable to be processed and units invoiced, including breakdown by claims type.
- Current plus four (4) prior quarters beginning and ending totals of invoices including adjustments and amounts reported to CMS.
- Significant variance from benchmarks and prior reporting.
- Claims with NDCs and quantities that cannot be identified and not processed.
- Unit type billing errors associated with NDCs.
- Total outstanding rebate balance, including all quarters back to inception per quarter.
- Overdue amounts per manufacturer for more than 12 months.
- PHS rebate exclusion list to be reported quarterly.
- NDC error report relevant to use of J-codes.
- Total of all units remaining unbilled or unpaid for 2 quarters due to unmatched NDCs with RPU's on a quarterly basis.
- A copy of the completed drug rebate section of the CMS 64 quarterly report, providing a narrative explaining 75% of the amount in disputes.
- NDC level rebate information to be loaded to the drug reference file regarding additions of labelers, new drugs, terminations of labelers and drugs, changes to existing products.
- Receivables, disputes, check logs, NDC specific reports, payment summaries for specific labelers, rebate summaries and other customized reports on-line.
- Interest received per quarter from labelers by 11-digit NDCs.
- Additional reports not requested previously but required by DCH/DMA within the designated time parameters set at the time of the request with capabilities for flexibility, scalability, and changeability of the reporting tools.
- Training activities for the staffs of Offeror and DCH/DMA.
- Non-rebateable products by participating manufacturers, excluded through mutual consent of CMS, DCH/DMA and labeler.
- Confirmation to CMS, by written correspondence or other acceptable form of communication, for each quarter's tape, the file name, volume serial number and the date the medium was sent with accompanying utilization data.
- Total units invoiced, payments received and outstanding balances for Supplemental Rebates per quarter.

- Offeror agrees to prepare and present reports to the DURB as requested to support financial impact discussions with each therapeutic class.

**The successful Offeror must contract with an independent auditor to complete a SAS-70 financial control audit to be submitted to the DCH annually. The SAS-70 should be accompanied by a corrective action plan for any issues identified in the report.**

#### **4.3.5 Accounting for Rebate Activity**

Offeror must keep accurate rebate accounting records using generally accepted accounting principles reflecting invoices billed, full amounts of payments received, data from Reconciliation of State Invoices (hereinafter “ROSIs”), other adjustments, updates from prior quarter adjustments, disputes and interest. The reconciliation of Medicaid fee-for-service drug rebate activity must be inclusive of national rebates and Supplemental Rebates that has been paid and, also, at a minimum, include:

- Receivables created by posting a quarter’s invoices to the accounts receivable subsidiary ledger and updating the ledgers with posting of payments, interest and adjustments. Entries are to be reported at the NDC level, using the 11-digit NDC code, with 98% accuracy by manufacturer, per quarter and entered within five (5) calendar days of receipt.
- A review procedure to ensure that the current rebate payments received are made without financial regard to “undisputed units” or “previously paid amounts” from previous quarters.
- A provision for electronic payment of accounts.
- A review of receivables received to ensure that all invoiced amounts for the current quarter are paid regardless of outstanding credits to the account.
- Records of receipt and acceptance of daily deposit entries from DCH/DMA or its designated agent, with reconciliation of any differences within five (5) business days.
- Records of receipt of manufacturers’ documentation regarding payments sent.
- Documentation of contact with manufacturers when clarification is required for collection of past due balances.
- A provision for check-level balancing in a point and click environment.
- Reconciliation of checks received with outstanding invoices to ensure proper application to the correct invoices.
- Account balance and payment history conversions.
- Rate or unit or both adjustment capabilities.
- Posting of all payments, by the envelope postmark date and quarter billed at the manufacturer and the NDC level within five (5) calendar days of receipt.
- Application of PPA payments recorded and applied to the quarter billed.
- Matching, without exception, the information of the Prior Quarter Adjustments (hereinafter “PQA”) forms to the PPA records on the CMS tape.
- Allowance for two (2) quarters (tapes from CMS) before determining that a match is not present and before contacting the manufacturer for resolution.

- Calculation of interest, with 98% accuracy, by acquiring interest rates on a weekly basis based on the yield of the 90-day Treasury bill auction rates (in calculating the interest, the Offeror must use the yield rates of the weekly auctions and the balance of the unpaid rebate to determine the daily amount of interest due).
- Reporting of interest separately from other payments.
- Tracking of the disputed units separated from the RPUs to alleviate confusion in the adjustment of incorrect rates versus units.
- Notifying each manufacturer of the detailed posting of each individual payment received with 98% accuracy within fifteen (15) calendar days of posting to accounting records.
- Collection of all portions of unpaid balances without a minimum balance threshold.
- Preparation of the drug rebate portion of the CMS 64 report within five (5) business days of the month following the end of the quarter with 100% accuracy.
- Obtain written approval from DCH/DMA before writing off any unpaid balances.

#### **4.3.5.1 Accounting for Supplemental Rebate Activity**

In accounting for Supplemental Rebate activity the following must be adhered to:

- Adjustments to submitted RPUs may not be re-submitted if lower than the RPUs or percentages that were initially agreed upon.
- Written approval must be obtained from DCH/DMA before writing off any unpaid balances.

#### **4.3.6 Training**

The Offeror is required to provide user support and training, on the technical, system, user and analytical portions of their systems, with the schedule previously approved by DCH/DMA.

The Offeror is required to develop a training program that must, at a minimum, include the following and is accessible to DCH/DMA online:

- Have DCH/DMA approval;
- Provide for the development of training materials;
- Provide a training program on its Information Systems for designated DCH/DMA or DCH users;
- Provide training on all information systems for its operations staff;
- Provide on-site support to DCH/DMA users;
- Provide drug rebate system manuals;
- Provide user manuals for systems;
- Have a scheduled initial instruction completed, with readiness for access, prior to end of the implementation phase;
- Include use with access to the system used by DCH's PBM for drug file information;
- Include receipt of and capabilities for use of information from DCH's fiscal agent;

- Continue training on a regular basis with schedule approved by DCH/DMA;
- Notify DCH of the beginning and completion dates prior to any adjustments being made to the system, whether the adjustment affects DCH/DMA directly or indirectly; Schedule the updates and system changes during non-business hours.
- Provide for system adjustments required due to changes made by DCH/DMA, CMS or other DCH vendors with notification to DCH when the adjustments will begin and the date that the adjustments will be completed if there is any potential that they will affect the use of the system by the DCH/DMA staff.

#### **4.3.7 Review and Resolution Procedures**

Offeror shall:

- Research and resolve amounts invoiced in previous quarters with “0” amounts paid or amounts paid less than billed;
- Report quarterly to manufacturers that interest is due at the rate as set by the CMS schedule published on the website for the specific quarter referenced and that there are outstanding Prior Quarter Adjustments (PQAs);
- Follow up with manufacturers who have not fulfilled their responsibility relative to PQAs;
- Contact manufacturers and CMS regarding claims data without corresponding RPU's noted for the two (2) most recent quarterly rebate tapes;
- Contact manufacturers who have not responded to second and final “Dunning” notices;
- Provide, in writing, to DCH Legal Services information regarding manufacturers who are uncooperative, or who are unwilling to complete the procedures necessary to resolve or settle accounts and those that have not responded to the 2<sup>nd</sup> Dunning notice;
- Obtain DCH/DMA written approval prior to writing off any unpaid balances; and
- Use the DCH adjustment form to submit corrected units and for notifying the PBM or Fiscal Agent of necessary unit changes in the system and for recouping incorrect payments to providers after discussion and agreement with the manufacturers.

##### **4.3.7.1 Dispute Resolution**

All manufacturers’ disputes in the Medicaid Drug Rebate program must be researched:

- Using the CMS Medicaid Drug Rebate Operational Training Guide - Section K and the Medicaid Drug Rebate Dispute Resolution Program Guide;
- Communicating the results of the quarterly review to the manufacturers;
- Contacting manufacturers within ninety (90) days of notice of disputes to discuss the reasons and methods of resolution;

- Documenting, contacting and sending preliminary reports to the manufacturers within ten (10) business days;
- Reviewing manufacturer rebuttals;
- Contacting manufacturers within one hundred fifty (150) calendar days of receipt of manufacturers' dispute notifications to propose additional steps in an attempt to resolve the disputes;
- Requesting claims detail data reports from DCH/DMA Medicaid Rebate Coordinator if unavailable from Offeror's system;
- Insuring that the exchange of data adheres to the confidentiality requirements of Section 192(b)(3) (D) of the Federal Rebate Act and all Health Insurance Portability and Accountability Act (hereinafter "HIPAA") requirements for confidentiality and security;
- Documenting resolution within five (5) business days of identifying billing errors, keying errors, or adjustments for exempt providers;
- Notifying DCH/DMA of non-covered and non-rebateable drugs reported on a ROSI within five (5) business days of receipt after verification of status;
- Notifying DCH/DMA within ten (10) business days of identifying errors by pharmacies that submit incorrect NDC numbers repeatedly after being notified;
- Providing on-going training to pharmacies via telephone, internet technology and by written correspondence that explains that the NDCs submitted on claims must correspond to the actual NDCs dispensed (if situation warrants, Offeror may be requested to provide training at individual pharmacy sites);
- Providing DCH/DMA with information that identifies potential fraud or abuse or both within thirty (30) calendar days of identification;
- Developing correct invoices within ten (10) business days after final analysis, with 100% accuracy, with total amount due;
- Providing DCH/DMA with copies of the corrected invoices, documenting explanation of corrections, adjustments, modifications, and any potential interest within five (5) business days of mailing to a manufacturer;
- Obtaining DCH/DMA approval of the dispute resolution by copy of Letter of Agreement;
- Notifying manufacturers, within ten (10) business days of DCH/DMA's approval with the corrected invoice amounts due and requesting agreed final settlement amounts;
- Contacting manufacturers, that do not respond to disputes or unpaid balances with second notices, to be mailed thirty (30) calendar days after date of initial corrected invoice, and final notices, to be mailed sixty (60) calendar days after date of initial corrected invoice;
- Providing, in writing, to DCH's Legal Services, information regarding manufacturers who do not respond with remittances within thirty (30) calendar days of final notice;
- Proceeding to Phase II-Formal Review Process as outlined by CMS; with the approval of DCH/DMA, within two hundred forty (240) calendar days of correcting an invoice;

- Informing DCH/DMA, in writing, of manufacturers who are uncooperative with payments or who are unwilling to complete the dispute process when two (2) quarters are in arrears within ten (10) business days of the end of the second quarter;
- Obtaining written approval from DCH/DMA for any write offs of disputed amounts (describe procedure here or in a separate paragraph);
- Attending the CMS dispute resolution conference to resolve disputes not facilitated through phone conversation, at the Offeror's expense;
- Attending rebate and dispute resolution programs for the enhancement of the process at the Offeror's expense by adding, for example "for more information, go to [www.successfulofferor.com/disputeresolutions](http://www.successfulofferor.com/disputeresolutions)"; and
- Reconciling and completing dispute resolutions.

All manufacturers' disputes in the Supplemental Rebate program must be researched, reconciled and the dispute resolution completed.

DCH/DMA is to be notified of all disputes received, copied on all correspondence to resolved the dispute and the disposition thereof on a monthly basis.

#### **4.3.8 Quality Assurance**

Offeror must, on a quarterly basis, perform quality assurance and monitoring procedures to ensure that accurate invoices are calculated, created and mailed, and that duplicate invoices are never mailed except upon specific request. The following monitoring procedures are necessary for the validation of an accurate drug rebate process:

- Making use of an automated date field which changes the date to the next quarter after current invoices are produced with a provision for manual override when necessary to recreate prior quarter invoices;
- Reviewing and identifying all records for follow-up in the claims file which do not have a corresponding RPU for an NDC on the CMS rebate tape;
- Calculate interest to use as verification for the manufacturers' calculations;
- Monitoring the collection of the correct amount of interest;
- Monitoring and continuously recommending that manufacturers use the standard ROSI form for adjustments to invoices;
- Verifying the dates that payments are received at the lockbox, retaining and using the postmarked envelopes as proof of receipt for interest calculations;
- Continuously monitoring and requiring that manufacturers follow the CMS recommendation for the completion in full of PQAs totally and correctly; and
- Providing information for updating the drug file resulting from new drugs, new strengths, dosage forms, expiration of drugs, or from manufacturers ceasing to participate in the program, accumulating and forwarding information to DCH electronically.

#### **4.3.9 Technical Support Features of the Medicaid Drug Rebate System**

The system must accommodate the maintenance of separate files, for all purposes, of the Federal rebates and the Supplemental Rebate processes. The drug rebate system must incorporate, at a minimum, the following technology:

- User friendly point and click on-line access using Windows or web browser environment for DCH to check status of payments, or details of line items on invoices without the need for the user to utilize a programming or query language;
- Maintenance of separate files for Federal and Supplemental Rebates, with the capability of invoicing and reconciling accounts, in addition to the ability for DCH to view transactions and payments separately for each;
- Flexible interface and downloading capabilities or both to DCH specified formats, i. e., a standard PC based software, available to users on-line without the need for programming expertise;
- Web-enabled system for DCH, DCH/DMA access, for preview and to allow pre-invoicing corrections;
- Utilization of the most recent NCPDP Drug Rebate Standard, which promotes a consistent platform to be used in electronic communication of invoices, ROSIs/PQAs data between the Offeror and drug manufacturers or labelers or both in the drug rebate process to streamline rebate submissions, communications and the reconciliation process helping to prevent and resolve disputes;
- Capability to maintain information regarding labelers' entries and termination dates in the CMS rebate program with access for DCH's view and utilization;
- Provision for use of outputs from the new NCPDP v5.1 "Transaction Standard" update program and subsequent upgrades as they become available and required;
- Identification of Drugs Efficacy Standard Indicators (DESI) drugs, non-participating manufacturers and correct billing units for loading to the drug file;
- Query and ad hoc reporting capabilities to provide information management needs for DCH/DMA via PC desktop workstations;
- Capability for authorized DCH/DMA users to request and print manufacturer invoice information via desktop workstations for drug manufacturers; and
- All HIPAA compliant privacy and security features.

#### **4.3.10 Administrative, Logistical Security and Physical Security of System**

The Medicaid drug rebate Vendor's system must support the following requirements at a minimum:

- Offeror's organizational structure that provides for segregation of duties relating to computer operations and user functions;
- Administrative and operational procedures that must be effectively communicated through documented job descriptions, policies and standards;

- Personnel policies and procedures that adequately ensure hiring and retention of only qualified and competent individuals;
- Procedures to ensure that program changes and new releases are authorized and approved by management;
- Procedures to ensure back up recovery/business contingency and disaster recovery;
- Notifications to DCH/DMA, in writing prior to implementation, of all installations or deliverables of upgrades or new releases of software;
- Testing to be performed with the test results reviewed for all vendor releases, if applicable;
- Upgrades and in-house changes by management and appropriate user personnel;
- Application of maintenance procedures to ensure that the version of programs implemented in production libraries are current, tested and approved versions with the source and load modules synchronized;
- Quarterly updating of system and user documentation methods that must take place as the system is modified and as new software releases are implemented or both;
- Prevention of indiscriminate access to the drug rebate system with limited use to only those assigned based on job functions;
- Allowance of limited access to system software files and libraries only by authorized personnel;
- Accommodations and access for State and federal auditors or any DCH/DMA designated party to perform periodic audits of the drug rebate system;
- Procedures for documentation and prompt notification for all systems' emergencies affecting any hardware, software or program relevant to the rebate program; and
- Adjustable time-out features for inactivity.

#### **4.3.11 Program Phases**

The successful Offeror will be responsible for, and must demonstrate, total readiness for operations by completing each phase of the vendor program for assurance to DCH/DMA. This consists of four (4) phases, beginning with the Start-up/Finalization of Requirements, Enhancement, Testing and Implementation.

##### **4.3.11.1 Start-up/Finalization Phase**

Offeror must conduct requirements definition meetings with DCH/DMA to ensure that there is shared understanding of all requirements related to this project, the first meeting to occur after receipt of the Notice of Award. The Offeror will meet with DCH/DMA staff and DOAS to finalize all user requirements and technical system requirements thirty (30)-days after Notice of Award. The Offeror will deliver a finalized requirements document to DCH for approval six (6) weeks after award. Approval of this document will conclude this phase.

##### **4.3.11.2 Enhancement Phase**

Offeror must customize its system to meet the State's processing and reporting requirements. DCH/DMA staff will identify and provide

information regarding the enhancements required for the drug rebate processing system. These requirements must be in place thirty (30)-days prior to implementation. Offeror must provide data file elements format information to assure that the systems are congruent for the exchange of information between both the Fiscal Agent and the PBM. DCH will provide for a “Train the Trainer” session on DCH’s PBM and Fiscal Agent’s systems for Offeror’s designated personnel, not to exceed two (2) persons, who must train Offeror’s staff.

Enhancements and upgrades to the proposed system are the sole financial responsibility of the Offeror. Any system improvements billed to DCH becomes the sole property of DCH and cannot be used to improve, support or upgrade any other Contract without express written permission from DCH. The Offeror must document all enhancements made to the base system along with overall system design in a Detailed System Design Document (DSD). This document must include all User Interface screens, system reports, interface file layouts, process flow diagrams and entity relationship diagrams applicable to the system. Additionally this document must have, as an exhibit, the overall architecture and network configuration for the system as it relates to connectivity to the DCH offices. The Offeror will submit this document for approval by DCH and only after approval is granted will the Offeror move to the next phase.

#### **4.3.11.3 Testing Phase**

The Offeror must perform rigorous testing of the complete drug rebate system to ensure that the system is functionally sound and operates to desired specifications. The Offeror must develop and deliver to DCH a testing methodology approach document as well as a detailed test plan for DCH review and approval. After approval, testing must occur both within the Offeror’s internal systems and operations staff as well as interface testing with both the DCH PBM and the Fiscal agent to ensure all interface files can be sent and received timely, efficiently and correctly.

Once testing is complete, the Offeror must conduct a full production simulation, (Operational Readiness Testing) including the production of all applicable reports and sample invoices. Quality assurance will be done by DCH for verification of standards required. Test results must be verified and approved by DCH prior to permission to implement the system. Testing must be completed prior to full implementation.

#### **4.3.11.4 Implementation Phase**

In order to begin operating live, the Offeror must have all hardware and software and telecommunication equipment to support the complete operation of the drug rebate system. It is critical that the Offeror projects current and future technical capacity requirements to ensure smooth and efficient operation of the entire system, including communications with DCH/DMA, CMS, and manufacturers for the full extent of the contractual period.

Implementation will occur after the successful completion of the operational readiness testing and the training of Offeror and DCH/DMA's staffs. At this time the Offeror will be required to implement the utilization of the drug rebate system in all of its functions and capabilities. Training must continue to ensure that all members of the Offeror's and DCH/DMA's staffs are fully aware of the capabilities of the drug rebate system and are able to use the system in an efficient and cost-effective manner.

The Offeror must ensure that the following will be done to determine that the system is implemented and operational three (3) weeks prior to full operation of the system:

- 95% clean conversion from previous vendor and testing of all data mandated by this RFP;
- Acceptance of and utilization plan for data that was excluded in the conversion
- Testing and implementation of all drug rebate functions;
- Preparation of ad hoc reports to display capabilities;
- Deployment and training of Offeror staff; and
- Comprehensive training of DCH/DMA user staff.

The successful Offeror shall submit their invoice for payment of Implementation costs as outlined in the Cost Proposal thirty (30)-days after successful completion of all of the above.

The successful Offeror will be responsible for invoice processing for Fee-for-Service Medicaid and Supplemental Rebates for the second calendar quarter of 2004 (April through June) in accordance with the CMS' guidelines.

#### **4.3.12 Operations and Maintenance Phase**

Operations and maintenance consist of several activities that include, at a minimum, the following:

- Regularly scheduled update and maintenance of the manufacturer database;
- Updates to the following, as necessary, to reflect any changes in the drug rebate program:
  - >detailed system design,
  - >drug rebate system user manuals,
  - >drug rebate system training materials, and
  - >all technical and other maintenance required to keep the drug rebate system fully operational per the RFP specifications;
- The Offeror must ensure that a trained and qualified executive staff person or Georgia-licensed pharmacist is available during all of DCH/DMA's business hours to assist with operations of the system and to provide information or to give assistance;
- Notification of DCH/DMA for any unscheduled office closings, two (2) weeks prior to the unscheduled office closing, or in the event of an emergency, immediately upon notification of the emergency;

- On-going training of DCH/DMA staff;
- System must be available 24-hours per day (Monday through Friday). System maintenance and the majority of downtime should be scheduled for Saturdays and Sundays. Offeror must provide DCH/DMA with a list of scheduled office closings (local and home office) and known downtimes for the year;
- Notification to DCH/DMA of any downtime, planned or unplanned; this includes any system enhancements or upgrades run or performed during business hours; and
- All hardware, software and communication upgrades required to keep the system up-to-date and to ensure invoices are produced and mailed within system specifications and time frames, and if applicable, obtain necessary maintenance contracts with equipment and software suppliers for the duration of the Contract period. All upgrades to the hardware or software system are at the expense of the Offeror. DCH expects upgrades to base products are included in the Offeror's proposal.

**Please note: DCH will not pay for system upgrades or enhancements made to the finalized Georgia system that Offeror might use for other clients.**

#### **4.3.13 Vendor's Access to Fiscal Agent and Pharmacy Benefit Manager's Systems**

Access to DCH's Fiscal Agent and Pharmacy Benefits Manager's (PBM) systems requires the use of individual security passwords, which must be requested by the successful Offeror. The request must be made to DCH, in writing. DCH will convey the information, confirm and authorize use with the Fiscal Agent and the PBM then the Offeror will be informed of the assigned security passwords. Passwords will be for the exclusive use of the persons to whom they are assigned. It is the responsibility of the Offeror to notify DCH of any staffing changes, additions or deletions, so that appropriate action can be taken. The Offeror shall not under any condition or circumstance, allow an individual to use a security password to whom it has not been specifically assigned.

The successful Offeror must provide training for its staff on DCH's PBM and Fiscal Agent's systems. Access to both systems will be at the successful Offeror's expense.

#### **4.3.14 Record Retention**

All records pertaining to this Contract must be stored at both the Offeror's Atlanta business office and at a data storage facility secured by the Offeror and approved by DCH/DMA. All data and information must be readily retrievable for review at the request of DCH/DMA. Records must be stored in an orderly manner and in fire resistant containers. The Offeror will be required to maintain security and confidentiality of information from individuals not required to have the information in the performance of their work. All records and documents maintained and stored by the Offeror must conform to HIPAA requirements regarding confidentiality and privacy of information. Data storage may be billed to DCH as a one-time charge. The storage will continue through the life of the Contract and its amendments.

Records utilized by the Offeror during the Contract period will be maintained for a period of three (3) years following the termination of the Contract. After the three (3) year period, the Offeror shall provide DCH/DMA with a list of files to be disposed of for DCH/DMA's approval. Disposal of records and files shall be in a manner that is HIPAA compliant and supervised by DCH/DMA. The cost to dispose all records and files pertaining to the contract shall be at the Offeror's expense. DCH/DMA will provide specific instructions on how files DCH/DMA wishes to retain are to be prepared, boxed, labeled and shipped.

#### **4.3.15 Business Continuity and Disaster Recovery**

Offeror must provide, for DCH/DMA approval:

- A recovery plan that describes and allows for reactivation and use of system within a reasonable period of time depending on the type of disaster, with no loss of data;
- The plan must include the approximate length of time which will have an impact on DCH's use;
- A disaster recovery plan that describes preparations for storage and recovery of data at an off-site data storage facility in fireproof containers; off the premises of the Offeror's operating business office;
- DCH will conduct a bi-annual review of successful Offeror's Disaster Recovery Plan. Successful Offeror will be responsible for implementing changes to the plan and submitting a revised Disaster Recovery Plan to DCH/DMA within the time frame specified by DCH/DMA. DCH should be notified if the successful Offeror makes any changes to the Plan prior to the reporting period; and
- The plan must include the method for maintaining copies of all files and processing activity relating to drug rebates to be stored electronically or hard copy if necessary.
- Similarly, a business continuity plan must be created in the event of a non-disaster occurrence, which renders the Offeror's operational site or system unusable. DCH will conduct reviews of the procedures and plan concurrently with the Disaster Recovery plan review

#### **4.3.16 Turnover Task**

Prior to the conclusion or non-renewal of the Contract, or in the event of a termination for any reason, the Offeror must provide assistance in turning over their functions to DCH/DMA, or a designated agent.

#### **4.3.17 Turnover**

No later than six (6) months prior to the implementation of a new contractor for this function, or a date specified by DCH, the Offeror must provide a turnover plan for DCH's approval.

The turnover plan must include a method for transition of data and documents by electronic means, tape or hard copy as needed. It must also include a timeline for the activities, a plan coordinated with the new vendor to transfer documents from its storage facility to the new vendor's facility, an inventory listing of items included in the transition and the operations manual, which should be included as

part of the transition documents. Turnover activities are included in the services requested under this procurement.

#### **4.3.18 Staffing**

The following staff dedicated to the Georgia account must be identified as follows:

- An Overall Project Manager must be named and must remain in place through implementation and the initial year of the Contract;
- A Project Manager must be named and must remain in place from award to completion of the Contract;
- Georgia-licensed Pharmacist(s) with rebate experience (identify number of positions);
- Rebate Specialist Supervisor and Rebate Specialists to be dedicated to the Georgia account (identify number of positions); and
- Systems Manager or Technical Assistant contact for DCH.

**Offeror will be responsible for insuring that these positions are occupied without interruption for the period as herein specified.** It is required that back-up personnel for each position be identified in Offeror's proposal.

Any staff identified by Offeror to insure the successful operation of this RFP must be identified and the amount of time allocated for the Georgia account noted.

A statement of qualifications is required for all current employees who will be managing the contract. For position(s) that are not filled, a description of the job qualification is required and a timetable for filling the position(s) after the Notice of Award. The Project Manager and Pharmacist positions require DCH approval throughout the life of the contract.

#### **4.3.19 Office Space, Materials and Supplies**

The Offeror must provide local office space for the key personnel in this Agreement within the Metro Atlanta area (in a radius of not more than 25 miles from the DCH/DMA offices unless approved by DCH/DMA), materials and equipment as necessary to perform the requirements of this RFP.

#### **4.3.20 Weekly Status Reports**

The Offeror must provide DCH/DMA with written reports on a weekly basis during both the implementation and operational phases of the Contract. DCH/DMA reserves the option of changing the status reporting frequency at anytime. The status reports must reflect the accomplishments specified in the RFP throughout the Contract period.

#### **4.3.21 Meeting Requirements**

The Offeror's Project Manager must be available and prepared to meet with DCH/DMA staff and other individuals as considered necessary for discussion of the RFP and Contract requirements. The Project Manager must also be prepared

to answer pertinent inquiries regarding the system, its implementation and its operation. Meetings between the representatives of the Offeror and DCH/DMA shall be on a weekly basis or as needed throughout the implementation phase and on a quarterly basis, or as needed during the operation and maintenance phases.

#### **4.3.22 Security**

The Offeror must provide detailed plans for the security of the system that is provided as a result of the RFP and Contract as defined in the confidentiality requirements in the contract, Section 17.

## **B. INSTRUCTIONS AND INFORMATION**

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### **5.0 PROCESS FOR SUBMITTING PROPOSALS**

#### **5.1 Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

#### **5.2 Packaging of Proposal**

Offerors may ship their proposal in one package. The proposal's shipping package must be **plainly marked on the outside**:

Name of Your Company  
**Phone Number and email address for the Point Of Contact for Your Company**  
RFP #41900-001-0000000012  
Due date and time per paragraph 2.0 of RFP

Offerors must submit two separate, sealed proposals – a Technical Proposal and a Cost Proposal. **Offerors are not to include any costing information in the Technical Proposal.**

#### **5.3 Content of Technical Proposal**

The Technical Proposal must be submitted using the format as indicated in Appendix B. You must complete and return Appendix B with your Technical Proposal. **Use the checklist and follow the format. Label all responses to the corresponding requirement in Appendix B!**

Address in detail your proposed solution to the requirements identified in Section 4, Appendix I, Technical Questionnaire and the Work Plan Requirements contained in section 5.3.1 below. Provide as much detail as possible to allow the evaluation committee to have a clear understanding of your proposed solution.

##### **5.3.1 Initial Work Plan**

The Offeror must develop and submit in their Technical Proposal a comprehensive detailed implementation work plan that, at a minimum, must include a breakdown of all activities associated with the following:

- finalized requirements gathering and documentation
- customization/modification of the existing system;
- data conversion and downloading;
- testing;
- implementation;
- storage of data;
- training; and
- operational readiness.

The work plan must clearly define the resource allocations for both the Offeror and that expected of DCH/DMA. The Offeror's proposal must contain a proposed "base" work plan that is the Offeror's best estimate of the tasks, milestones, timelines and resources needed to complete the project. An initial revised version of this plan must be submitted to the DCH Contract Administrator within three (3) weeks after the execution of the Contract, unless otherwise agreed to by DCH. DCH will respond in writing, with acceptance or rejection, within five (5) business days of receipt of the work plan.

The Contractor shall also provide to the DCH/DMA for approval, a comprehensive work plan for negotiating and collecting supplemental drug rebates including disputed rebates for the Department. Additionally, all personnel who will be associated with these tasks must be identified on an organizational chart, which includes key personnel. On an ongoing basis, the Offeror must provide an updated work plan and provide key project metrics on a bi-weekly basis. The Offeror and DCH will jointly decide and agree on the type of metric that will be reported on.

### **Final Work Plan**

At the end of the customization phase, the successful Offeror must submit to DCH/DMA for approval any updated final work plan that details all tasks and resources to complete this project. The final work plan must include a detailed schedule of activities, the location in which the activities will take place, the personnel that will be involved from this point forward and the time required. After acceptance, any changes to the work plan must be in writing and approved by DCH/DMA prior to being implemented. DCH/DMA will not be liable for payment of services based on unapproved changes to the work plan.

### **5.4 Number of Proposal Copies**

Submit an original marked and eight (8) hard copies, plus one (1) CD-Rom (in Microsoft Word format) of your Technical proposal, and an original marked and four (4) hard copies, plus one (1) CD-Rom of your Cost proposal. If you do not have the capability to provide a CD-ROM, you may substitute a 3.5 diskette (must be separate Technical and Cost diskettes).

## 5.5 Submission of Proposals

Proposals must be submitted to:

Department of Administrative Services  
State Purchasing Office  
200 Piedmont Avenue, SE  
Suite 1308 (Bid Room), West Tower  
Atlanta, GA 30334-9010  
Attn: Barry Shepard

**Any proposal received after the due date and time will not be accepted or evaluated.**

**Please NOTE: Current Events have caused the security of the Floyd Twin Towers Complex to be increased. Entrance to the building may be delayed due to ongoing security screenings at the front door; therefore, please plan accordingly. Proposals are due no later than 1:00 PM EDST on date identified in Section 2, Schedule, for the RFP. They must be submitted and accepted to the bid room staff by that time!!**

## 5.6 Inquiries & Communication with Agency Staff

Questions about this RFP must be directed **in writing, via e-mail, to:**

Barry Shepard  
Contracting Officer II  
Department of Administrative Services  
State Purchasing Office  
[bshepard@doas.ga.gov](mailto:bshepard@doas.ga.gov)

**Please use the format for questions provided at Appendix K, Form to Be Used For Questions, to this RFP.**

**From the date that this RFP is issued until a vendor is selected and the selection is announced, vendors are not allowed to communicate for any reason with any State employee other than the Contracting Officer listed above regarding this RFP.** The State reserves the right to reject any proposal for violation of this provision. No questions other than written, via email, will be accepted, and no response other than written will be binding upon the State.

**Any questions received after the deadline for questions may or may not be answered by DCH.**

All binding answers to Offerors' inquiries will be included in a formal amendment to this RFP posted to the web site. **Any additional questions answered will also be posted to the website with the RFP document and Addenda.** Offerors are reminded and encouraged to check this website daily for any changes to the RFP

## 5.7 Rejection of Proposals/Cancellation of RFP

The State of Georgia reserves the right to reject any or all proposals, to waive any irregularity or informality in a proposal, and to accept or reject any item or combination of items, when to do so would be to the advantage of the State or its taxpayers. It is also within the right of the State to reject proposals **that do not contain all elements and information requested in this document**. The State of Georgia shall not be liable for any losses incurred by the offerors throughout this process. The State reserves the right to cancel this RFP at any time.

## 6.0 Evaluation Criteria

The evaluation of proposals received on or before time will be conducted in the following four phases:

### I. Administrative Review

The proposals will be reviewed for the following administrative requirements:

- (a) Separately sealed technical proposal and cost proposal
- (b) Only technical information is included in the technical proposal!**
- (c) All documents requiring a signature have been signed and are included!!

### II. Requirements Review

Proposals which pass the administrative review will then be reviewed for completeness to ensure that all mandatory requirements identified in Appendix A are addressed satisfactorily.

### III. Technical Review

Those Technical Proposals which pass the requirements review will be reviewed by the Evaluation Committee of subject matter experts for quality and completeness and may receive a maximum of 700 points. The State reserves the right to request clarifications from all Offerors. The following are the maximum possible points of each of the mandatory sections and additional requirements of the Project Statement of Work:

The following listing provides you with the maximum points available for each factor in the evaluation:

Factor 1 –	Mandatory Requirements	30 Points
Factor 2 –	System Description and Capabilities	150 Points
Factor 3 –	Invoice Production Process, Accounting and Reporting	150 Points
Factor 4 –	Implementation (Work Plans * see 5.3.1))	30 Points
Factor 5 –	Control Procedures	50 Points
Factor 6 –	Operational Support	100 Points
Factor 7 –	Customization Phase	40 Points
Factor 8 –	Testing Phase	25 Points
Factor 9 –	Implementation Phase	25 Points
Factor 10 –	Operation/Maintenance Phase	25 Points
Factor 11 –	Disaster Recovery	25 Points
Factor 12 –	Record Retention	25 Points
Factor 13 –	Turnover Tasks and Plan	25 Points

The proposal with the highest technical score will be adjusted up to 700 points. All other Technical proposals with 525 or more points (75% of 700 points) will receive a prorated technical score calculated using the following formula:  $P/H \times 700 = V$

Where:      P = Technical score of the proposal being adjusted  
               H = Original technical score of the highest ranking proposal  
               V = Assigned points for proposal being adjusted

## Possible Oral Presentation/Site Visit

During the course of the Technical Review, the Evaluation Committee **may** require oral presentations of selected Offerors, and may make site visits to Offeror locations or other locations at which an Offeror provides similar pharmacy rebate services. **If oral presentations and site visits are required**, the Contracting Officer will notify the selected vendors with a proposed day/ time; agenda and required topics to be addressed. The Evaluation Committee shall expect proposed key managers and professional staff to play the key role in oral presentations, **if required**.

## IV. Cost Review

**Offerors are to use only the Cost Proposal Form provided with the RFP (Appendix C)!**

Only proposals which pass the technical review with a score of 525 or higher will have their Cost Proposals reviewed by the DOAS Contracting Officer and can receive a maximum of 300 points. Cost proposals must be on a fixed price basis. The proposal with the lowest total cost will be awarded 300 points. All other cost proposals deemed to be acceptable will receive a prorated score calculated using the following formula:

$$L/R \times 300 = Z$$

Where:      L = Total cost of the proposal with the lowest total cost.  
              R = Total cost of the proposal being ranked.  
              Z = Assigned points.

The resulting cost proposal scores will be combined with the technical proposal scores to identify the apparent successful offeror.

## 7. STANDARD TERMS AND CONDITIONS

### ◆ **Addenda**

The State reserves the right to amend this RFP prior to the proposal due date. All amendments and additional information will be posted to the Georgia Procurement Registry, <http://www.procurement.state.ga.us>; Offerors should check this web page daily for new information.

### ◆ **Cost for Preparing Proposal**

The cost for developing the proposal is the sole responsibility of the Offeror. All proposals submitted become the property of the State.

### ◆ **Contract Discussions**

Prior to award, the apparent successful firm may be required to enter into discussions with the State to resolve any contractual differences. These discussions are to be finalized and all exceptions resolved within one (1) week from notification. If no resolution is reached, the proposal may be rejected and discussions initiated with the second highest scoring firm.

### ◆ **Confidentiality Requirements**

The staff members assigned to this project may be required to sign a departmental non-disclosure statement. Proposals are subject to the Georgia Open Records Act. The State cannot protect proprietary data submitted in proposals.

### ◆ **ADA Guidelines**

The State of Georgia adheres to the guidelines set forth in the American Disabilities Act (ADA). Provisions will be made to make your use of the required services provided easier and more accessible. We ask that you please call the Contracting Officer at 404- 657-6000 in advance if you require special arrangements. The Georgia Relay Center at 1-800-255-0056 (TDD Only) or 1-800-255-0135 (Voice) will relay messages for the speech and hearing impaired, in strict confidence.

### ◆ **Financial Information**

The State is concerned about Offerors financial capability to perform the services required under this RFP, therefore, please provide sufficient data to allow for an evaluation of your firm's financial capabilities.

### ◆ **Proposal Authorization**

In accordance with the provisions of the Official Code of Georgia Annotated 50-5-67(a), the Department of Administrative Services (DOAS) has determined that the use of competitive sealed bidding will not be practical or advantageous to the State in completing the acquisition of the services and/or commodities described herein. Competitive sealed proposals shall be submitted in response to this request in the same manner as competitive sealed bids and shall be opened in the same manner as competitive sealed bids. All proposals submitted as a result of this request

shall be made in accordance with the provisions of the Georgia Vendor Manual, these instructions, and specifications.

## **APPENDIX A**

### **AGREEMENT TO MANDATORY PROJECT SPECIFICATIONS**

All mandatory requirements listed in Section A.4.a. of the RFP are presented below. Offeror should indicate their understanding of these mandatory requirements and their agreement to satisfy these mandatory requirements by placing the word “Yes” by each requirement.

This checklist is provided for the convenience of Offerors, but it is the Offeror’s responsibility to review the entire RFP and ensure response is made to all requirements.

**Failure to place “yes” by each mandatory requirement may cause the Department to reject the proposal.**

Offerors must meet all of the following mandatory requirements to be considered for evaluation under this RFP.

- \_\_\_\_\_A.    **Mandatory Specification 1:** Offeror must have rebate invoicing and processing experience on the national level for State-specific Programs.
- \_\_\_\_\_B.    **Mandatory Specification 2:** The Offeror must be, and remain, in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to ensure security and confidentiality of the data and records associated with the programs.
- \_\_\_\_\_C.    **Mandatory Specification 3:** Offeror must have negotiated State-funded Supplemental Rebates.

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Authorized Signature

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Print Name

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Date

## APPENDIX B

### REQUIRED CONTENT (FORMAT) OF TECHNICAL PROPOSAL

This appendix will identify what information should be submitted within your proposal in response to this RFP and the order in which it should appear. More information regarding the process to follow when submitting your proposal is described within the RFP (Section 5).

Offeror should indicate required documents are included within the proposal and the location of those documents by placing the word “Yes” by each requirement and specifying the page or reference number where that document is located.

This checklist is provided for the convenience of Offeror, but it is the Offeror’s responsibility to review the entire RFP and ensure response is made to all requirements.

**Failure to place ‘yes’ by each requirement may cause the Department to reject the proposal.**

Unless otherwise indicated, Offerors must meet all of the following requirements to be considered for evaluation under this RFP.

<u>Yes/No</u>	<u>Page/ Ref. No.</u>	
_____	_____	<b>1. <u>Cover Letter</u></b>  The proposal should contain a cover letter and introduction, including: the company name, address and the name, telephone number, and email address of the person or persons authorized to represent the company regarding all matters related to the proposal.
_____	_____	<b>2. <u>Completed Appendix B Form</u></b>
_____	_____	<b>3. <u>Proposal Form</u></b>  The proposal must contain a signed proposal form ( <a href="#">Appendix D</a> ).
_____	_____	<b>4. <u>Agreement to Mandatory Project Specifications</u></b>  The Offeror should indicate its agreement to the entire Mandatory Specifications for this project by completing ( <a href="#">Appendix A</a> ).
_____	_____	<b>5. <u>Contract Exceptions</u></b>  The contract that the State intends to use is identified as (Appendix E). Any exceptions to the contract must be submitted and clearly identified with the Offeror’s technical proposal. <b>If no exceptions please state so.</b>
_____	_____	<b>6. <u>Small or Minority Business Form</u></b>  The Offeror should indicate its classification as a small or minority business by completing (Appendix F).

<u>Yes/No</u>	<u>Page/ Ref. No.</u>	
_____	_____	<p><b>7. <u>Summary of Understanding of the Proposed Services</u></b></p> <p>The Offeror should indicate their understanding of the requested services and describe how it proposes to service the (Insert Department Name). The Offeror must include the following information:</p>
_____	_____	<p><b>8. <u>Company Background</u></b></p> <ul style="list-style-type: none"> <li>i. A description of your firm’s background and history. Please include principals of the firm and their backgrounds. Describe ownership structure and provide relevant information.</li> <li>ii. A list of all corporate offices and indicate which office will service this account(s).</li> <li>iii. A broad overview of your firm, including any parent, affiliated or subsidiary company, and any business partners. Provide an organization chart of your firm and describe the relationship between each component of your firm.</li> <li>iv. Disclose in detail anything that may create a conflict or appearance of a conflict of interest.</li> <li>v. Disclose whether, within the last five years, your organization or an officer or principal has been involved in any business litigation or other legal proceedings. If so, please provide an explanation and indicate the current status or disposition.</li> <li>vi. A description of the level of coverage of professional liability insurance your firm carries. List the insurance carrier(s) supplying coverage. Please Note: You do not have to have the types and amount of insurance identified in the contract to submit a proposal; HOWEVER, you must have a statement from your insurance provider, on their letterhead, stating that if you are awarded the contract they will insure for the type and amounts of coverage required in the contract. If an offeror does not have insurance and submits a letter from their provider, they will have ten (10) days to obtain ALL required insurance and submit to the Contracting Officer.</li> </ul>

Yes/No

Page/  
Ref. No.

9. **Statement of Work**

- i. Please complete the Technical Questionnaire Form, (contained at Appendix I) to address your proposed solution to the requirements contained at Section 4, Project Statement of Work. Also submit section 5.3.1 Work Plan with this information. Provide as much detail and thorough an explanation as possible to allow the Evaluation Committee to understand your capability to perform the task.

10. **Performance Bond**

- i. **Performance Bond.** DCH will require a performance bond in the full amount of the contract. Offerors must submit in their Technical Proposal a letter from a surety organization, approved in the State of Georgia, on the surety's letterhead, indicating that if selected the surety will provide a performance bond in the amount required. The successful offeror will have ten (10) days to submit the performance bond to the Contracting Officer after issuance of the Notice of Award.

**APPENDIX C**

**COST PROPOSAL**

**Note:** Costs should be projected for the term of the Contract, which is listed in Section 3, **Contract Term**, of the RFP and should be itemized for each Program (Medicaid Fee-for-Service and Supplemental). Any projected increases in cost should be based on the CPI-U index, which may be found at <http://www.bls.gov/>.

**Vendor Name:** \_\_\_\_\_

**Total Contract Value for ALL Requirements including G & A\*, and the sum of the matrices \$ \_\_\_\_\_\*\***

\*G & A = **all** General and Administrative Costs, Profits, Travel, per diem, and **ALL** costs associated with this Contract. This should include the following two (2) spreadsheets and should be the total cost reflected on them.

**\*\*This is the figure that will be used in the evaluation.**

Where there is a reference in the RFP to deliverables, submission requirements or other response and contract performance discussions, said reference might not include all requirements in the RFP. It is incumbent upon the contractor to read this entire RFP carefully and respond to and price **all requirements** and ensure “**Total Contract Value for ALL Requirements**” above includes **all requirements**.

---

Authorized Signature

---

Print Name

---

Date

## COST SHEET

### ITEMIZED COST PROPOSAL MATRIX MEDICAID FEE-FOR-SERVICE REBATE PROGRAM

Contract Year	Implementation Cost	Operations Costs (G&A)	Storage Costs	System Maintenance and Upgrade Costs	Totals
04/1/04 – 06/30/05					
07/1/05- 06/30/06					
07/1/06- 06/30/07					
07/1/07- 06/30/08					
07/1/08- 06/30/09					
<b>Total Costs</b>					

#### Assumptions:

1. All Costs are yearly costs, with the exception of the period from April 1, 2004, through June 30, 2005.
2. Assume the volume of rebates based on 20,000,000 claims initially and then a 20% growth rate per year.
3. Operations Costs include ALL requirements identified in Section 3 (including G&A\*) of the RFP. This is the figure, which shall be used in the Cost Evaluation. Operations costs also include postage costs.
4. Offeror can request a review of Operations Costs at Option renewal, however DCH may or may not agree with any request to increase the operations costs at DCH's discretion.
5. Implementation costs include all enhancements made to the base system changes, training, and conversion.
6. System Maintenance and Upgrade Costs include all operational costs required to operated the system and make system changes based on DCH direction after the system is implemented.
7. All upgrades to the hardware or software systems are at the expense of Offeror. DCH expects that upgrades to the base products are to be included in the Offeror's Cost Proposal.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print/Type Name & Title

## COST SHEET

### ITEMIZED COST PROPOSAL MATRIX SUPPLEMENTAL REBATE PROGRAM

Contract Year	Implementation Cost	Operations Costs (G&A)	Storage Costs	System Maintenance and Upgrade Costs	Totals
04/1/04 – 06/30/05					
07/1/05- 06/30/06					
07/1/06- 06/30/07					
07/1/07- 06/30/08					
07/1/08- 06/30/09					
<b>Total Costs</b>					

**Assumptions:**

1. All Costs are yearly costs, with the exception of the period from April 1, 2004, through June 30, 2005.
2. Assume the volume of rebates based on 20,000,000 claims initially and then a 20% growth rate per year.
3. Operations Costs include ALL requirements identified in Section 3 (including G&A\*) of the RFP. This is the figure, which shall be used in the Cost Evaluation. Operations costs also include postage costs.
4. Offeror can request a review of Operations Costs at Option renewal, however DCH may or may not agree with any request to increase the operations costs at DCH's discretion.
5. Implementation costs include all enhancements made to the base system changes, training, and conversion.
6. System Maintenance and Upgrade Costs include all operational costs required to operated the system and make system changes based on DCH direction after the system is implemented.
7. All upgrades to the hardware or software systems are at the expense of Offeror. DCH expects that upgrades to the base products are to be included in the Offeror's Cost Proposal.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print/Type Name & Title

**APPENDIX D**  
**PROPOSAL FORM**

We propose to furnish and deliver any and all of the deliverables and services named in the attached Request for Proposals (RFP) for which prices have been set. The price or prices offered herein shall apply for the period of time stated in the RFP.

We further agree to strictly abide by all the terms and conditions contained in the Georgia Vendor Manual (<http://www.doas.state.ga.us>) as modified by any attached special terms and conditions, all of which are made a part hereof. Any exceptions are noted in writing and included with this bid.

It is understood and agreed that this proposal constitutes an offer, which when accepted in writing by State Purchasing, Department of Administrative Services, State of Georgia, and subject to the terms and conditions of such acceptance, will constitute a valid and binding contract between the undersigned and the State of Georgia.

It is understood and agreed that we have read the State's specifications shown or referenced in the RFP and that this proposal is made in accordance with the provisions of such specifications. By our written signature on this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all such State specifications. We further agree, if awarded a contract, to deliver goods and services that meet or exceed the specifications.

It is understood and agreed that this proposal shall be valid and held open for a period of one hundred twenty (120) days from the Proposal Opening Date.

**PROPOSAL SIGNATURE AND CERTIFICATION**  
(Bidder to sign and return with proposal)

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same materials, supplies, equipment, or services and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of State and Federal Law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of the proposal and certify that I am authorized to sign this proposal for the Offeror. I further certify that the provisions of the Official Code of Georgia Annotated, Sections 45-10-20 et. seq. have not been violated and will not be violated in any respect.

**The Vendor also certifies that the Vendor and its Lobbyists have complied with the Lobbyist Registration Requirements in accordance with the Georgia Vendor Manual.**

Authorized Signature \_\_\_\_\_ Date \_\_\_\_\_

Print/Type Name \_\_\_\_\_

Print/Type Company Name Here \_\_\_\_\_

**APPENDIX E**

**SAMPLE CONTRACT MODEL**

**SAMPLE**

**CONTRACT BETWEEN**

**THE GEORGIA DEPARTMENT OF COMMUNITY HEALTH**

**and**

**for**

**THE MEDICAID DRUG REBATE PROGRAM AND  
THE SUPPLEMENTAL DRUG REBATE PROGRAM**

**Contract No.: 41900-001-0000000012**

RFP # 41900-001-0000000012  
Medicaid Pharmacy and Supplemental Rebates

Page 37 of 81

**TABLE OF CONTENTS:**

<b>1.</b>	<b>SCOPE OF SERVICE .....</b>	<b>42</b>
	<b>A. DCH RESPONSIBILITIES .....</b>	<b>42</b>
	<b>B. CONTRACTOR RESPONSIBILITIES .....</b>	<b>42</b>
	<b>C. DELIVERABLE .....</b>	<b>42</b>
<b>2.</b>	<b>TERM OF CONTRACT .....</b>	<b>43</b>
<b>3.</b>	<b>PAYMENT FOR SERVICES .....</b>	<b>43</b>
<b>4.</b>	<b>FUNDING .....</b>	<b>43</b>
<b>5.</b>	<b>PAYMENT OF TAXES .....</b>	<b>43</b>
<b>6.</b>	<b>RELATIONSHIP OF PARTIES .....</b>	<b>44</b>
<b>7.</b>	<b>INSPECTION OF WORK .....</b>	<b>44</b>
<b>8.</b>	<b>STATE PROPERTY .....</b>	<b>44</b>
<b>9.</b>	<b>OWNERSHIP AND USE OF DATA .....</b>	<b>44</b>
<b>10.</b>	<b>CONTRACTOR STAFFING .....</b>	<b>45</b>
<b>11.</b>	<b>CRIMINAL BACKGROUND CHECKS .....</b>	<b>45</b>
<b>12.</b>	<b>SUBCONTRACTS .....</b>	<b>45</b>
	<b>A. USE OF SUBCONTRACTOR .....</b>	<b>45</b>
	<b>B. COST OR PRICING BY SUBCONTRACTORS .....</b>	<b>46</b>
<b>13.</b>	<b>REQUIRED TRAVEL, TRAVEL EXPENSES .....</b>	<b>46</b>
<b>14.</b>	<b>LICENSE, CERTIFICATE, PERMIT REQUIREMENT .....</b>	<b>46</b>
<b>15.</b>	<b>RISK OR LOSS .....</b>	<b>46</b>

<b>16.</b>	<b>PROHIBITION OF GRATUITIES AND LOBBYIST DISCLOSURES.....</b>	<b>46</b>
<b>17.</b>	<b>RECORDS REQUIREMENTS .....</b>	<b>47</b>
	<b>A. RECORDS RETENTION REQUIREMENTS.....</b>	<b>47</b>
	<b>B. ACCESS TO RECORDS .....</b>	<b>47</b>
<b>18.</b>	<b>CONFIDENTIALITY REQUIREMENTS .....</b>	<b>48</b>
<b>19.</b>	<b>TERMINATION OF CONTRACT.....</b>	<b>48</b>
	<b>A. TERMINATION FOR DEFAULT .....</b>	<b>48</b>
	<b>B. TERMINATION FOR CONVENIENCE.....</b>	<b>50</b>
	<b>C. TERMINATION FOR BANKRUPTCY OR INSOLVENCY.....</b>	<b>48</b>
	<b>D. TERMINATION FOR UNAVAILABILITY FOR FUNDS .....</b>	<b>50</b>
	<b>E. TERMINATION PROCEDURES .....</b>	<b>48</b>
	<b>F. TERMINATION CLAIMS .....</b>	<b>50</b>
<b>20.</b>	<b>LIQUIDATED DAMAGES .....</b>	<b>50</b>
<b>21.</b>	<b>INDEMNIFICATION .....</b>	<b>51</b>
<b>22.</b>	<b>INSURANCE.....</b>	<b>51</b>
<b>23.</b>	<b>PERFORMANCE BOND .....</b>	<b>52</b>
<b>24.</b>	<b>COMPLIANCE WITH ALL LAWS .....</b>	<b>52</b>
<b>25.</b>	<b>CONFLICT RESOLUTION.....</b>	<b>52</b>
<b>26.</b>	<b>CONFLICT OF INTEREST.....</b>	<b>53</b>
<b>27.</b>	<b>NOTICE.....</b>	<b>53</b>
<b>28.</b>	<b>MISCELLANEOUS .....</b>	<b>54</b>
	<b>A. CHOICE OF LAW OR VENUE.....</b>	<b>54</b>
	<b>B. ATTORNEY’S FEES .....</b>	<b>54</b>

C. SURVIVABILITY .....	54
D. DRUG-FREE WORKPLACE.....	54
E. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT AND OTHER MATTERS .....	55
F. WAIVER .....	55
G. FORCE MAJEURE .....	55
H. BINDING .....	55
I. TIME IS OF THE ESSENCE.. .....	55
J. AUTHORITY .....	55
29. AMENDMENT IN WRITING .....	55
30. CONTRACT ASSIGNMENT .....	56
31. SEVERABILITY .....	56
32. ENTIRE AGREEMENT .....	56
ATTACHMENT A.....	57
DRUG-FREE WORKPLACE CERTIFICATE .....	58
ATTACHMENT B.....	59
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT, AND OTHER RESPONSIBILITY MATTERS.....	60
ATTACHMENT C.....	62
NON-PROFIT ORGANIZATION DISCLOSURE FORM .....	62
ATTACHMENT D.....	63
CONFIDENTIALITY STATEMENT .....	63
ATTACHMENT E.....	64
BUSINESS ASSOCIATE AGREEMENT.....	64
ATTACHMENT F .....	64

**VENDOR LOBBYIST DISCLOSURE AND REGISTRATION CERTIFICATION FORM.....68**

**EXHIBIT "1" .....29**

**PERFORMANCE BOND .....**

**THIS AGREEMENT**, with an effective date of [REDACTED], is made and entered into by and between the Georgia Department of Community Health (hereinafter referred to as “DCH” or the “Department”), the Department of Administrative Services (hereinafter referred to as “DOAS”) and [REDACTED] (hereinafter referred to as “Contractor” or “Vendor”) a (insert type of business entity)

**WHEREAS**, DCH is responsible for health care policy, purchasing, planning and regulation pursuant to the Official Code of Georgia Annotated (O.C.G.A.) § 31-5A-4 et. seq.; and

**WHEREAS**, the Division of Medical Assistance within DCH administers the Medical Assistance Program in Georgia pursuant to the Social Security Act, Title XIX (Medicaid Program); and

**WHEREAS**, DOAS issued Request for Proposal No. 419000-001-0000000012 (hereinafter referred to as “RFP”), which is incorporated herein as if completely restated, for the development and administration of fee-for service Medicaid and Supplemental Drug Rebate programs on behalf of the Division of Medical Assistance, Pharmacy Unit (hereinafter referred to as “DMA”); and,

**WHEREAS**, Contractor submitted a response to the RFP, which is incorporated herein as if completely restated, and has been selected by DOAS and DCH/DMA to perform said services.

**NOW, THEREFORE, FOR AND IN CONSIDERATION** of the mutual promises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, (insert Party's name) and (insert Party's name) (each individually a “Party” and collectively the “Parties”) hereby agree as follows:

**1. SCOPE OF SERVICE**

The purpose of this Contract is to develop and administrate fee-for service Medicaid and Supplemental Rebate programs on behalf of DCH/DMA. Subject to the terms and conditions set forth herein, DCH retains Contractor to furnish all of the goods, services, and other deliverables, all as contemplated by this Contract, the RFP, the Response, Notice of Award (“NOA”), and any amendments (collectively the “Solicitation Documents”).

In event of a conflict in language between the various documents incorporated into this Contract, the provisions and requirements set forth in this Contract shall govern.

**A. DCH Responsibilities**

DCH shall:

DCH may conduct a financial audit or programmatic audit or both.

**B. Contractor Responsibilities**

Contractor shall:

**C. Deliverables**

Contractor shall deliver the following:

## **2. TERM OF CONTRACT**

This Contract shall begin on the effective date and shall continue until the close of the then current State fiscal year, (June 30, 2005), unless renewed as hereinafter provided. DCH is hereby granted four (4) option(s) to renew this Contract for an additional term of up to one (1) State fiscal year each upon the same terms, conditions and price in effect at the time of the renewal. The option shall be exercisable solely and exclusively by DCH. DCH shall exercise options by written notice of renewal. As to each term, the Contract shall be terminated absolutely at the close of the then current State fiscal year without further obligation by DCH.

## **3. PAYMENT FOR SERVICES**

DCH shall compensate the Contractor in accordance with the payment schedule as set forth in the Contractor's cost proposal, which is incorporated herein and made a part of this Contract. Each invoice for payment should be submitted separately for each program and must reference the RFP Number 41900-001-0000000012 and DCH's Contract Number (XXXX), Contractor's tax identification number (XX-XXXXXXX) and be itemized to identify the activities being billed. DCH will pay the invoice within thirty-(30) calendar days of receipt upon approval of deliverables and the invoice by the DCH Project Leader. Each invoice should be mailed to the following address:

Accounting/Financial Services – Director's Office  
Attn.: Mrs. Paula Tolbert  
Georgia Department of Community Health  
2 Peachtree Street, N.W. - 34<sup>th</sup> Floor  
Atlanta, Georgia 30303-3159

The relevant deliverables shall be mailed to the Project Leader named in the *Notice* provision of this Contract.

The total of all payments made by DCH to Contractor under this Contract shall not exceed insert dollar amount (\$ ), which has been provided for through use of State, federal, grant or other funds. DCH shall have no responsibility for payment beyond that amount. It is expressly understood that the total amount of payment to the Contractor will not exceed the maximum provided above, unless Contractor has obtained prior written approval, in the form of a Contract amendment, authorizing an increase in the total payment, prior to the expenditure of any amount in excess of the maximum provided for in this paragraph.

## **4. FUNDING**

Notwithstanding any other provision of this Contract, the parties hereto acknowledge that institutions of the State of Georgia are prohibited from pledging the credit of the State. At the sole discretion of DCH, this Contract shall terminate without further obligation of the State if the source of payment for DCH's obligation no longer exists or is insufficient. The certification by DCH of the events stated above shall be conclusive.

## **5. PAYMENT OF TAXES**

Contractor will forthwith pay all taxes lawfully imposed upon it with respect to this Contract or any product delivered in accordance herewith. DCH makes no representation

whatsoever as to the liability or exemption from liability of Contractor to any tax imposed by any governmental entity.

## **6. RELATIONSHIP OF PARTIES**

Neither party is an agent, employee, or servant of the other. It is expressly agreed that Contractor and any subcontractors and agents, officers, and employees of Contractor or any subcontractor in the performance of this Contract shall act as independent contractors and not as officers or employees of DCH. The parties acknowledge, and agree, that the Contractor, its agents, employees, and servants shall in no way hold themselves out as agents, employees, or servants of DCH. It is further expressly agreed that this Contract shall not be construed as a partnership or joint venture between the Contractor or any subcontractor and DCH.

## **7. INSPECTION OF WORK**

DCH, the State Auditor, the Department of Health and Human Services, the General Accounting Office, the Comptroller General of the United States, if applicable, or their authorized representatives, shall have the right to enter into the premises of Contractor and/or all subcontractors, or such other places where duties under this Contract are being performed for the DCH, to inspect, monitor or otherwise evaluate the services or any work performed pursuant to this Contract. All inspections and evaluations of work being performed shall be conducted with prior notice and during normal business hours. All inspections and evaluations shall be performed in such a manner as will not unduly delay work.

## **8. STATE PROPERTY**

Contractor agrees that any papers, materials and other documents that are produced or that result, directly or indirectly, from or in connection with Contractor's provision of the services under this Contract shall be the property of DCH upon creation of such documents, for whatever use that DCH deems appropriate, and Contractor further agrees to execute any and all documents, or to take any additional actions that may be necessary in the future to effectuate this provision fully. In particular, if the work product or services include the taking of photographs or videotapes of individuals, Contractor must obtain the consent from such individuals authorizing the use by DCH of such photographs, videotapes, and names in conjunction with such use. Contractor shall also obtain necessary releases from such individuals, releasing DCH from any and all claims or demands arising from such use.

Contractor shall be responsible for the proper custody and care of any state-owned property furnished for Contractor's use in connection with the performance of this Contract. Contractor will also reimburse DCH for its loss or damage, normal wear and tear excepted, while such property is in the Contractor's custody or use.

## **9. OWNERSHIP AND USE OF DATA**

All DCH data is owned by DCH. Contractor is expressly prohibited from sharing or publishing the DCH data or any information relating to the Medicaid data without the prior written consent of DCH.

## **10. CONTRACTOR STAFFING**

Contractor warrants and represents that all persons, including independent contractors and consultants assigned by it to the performance of this Contract, shall be employees or formal agents of Contractor and shall have the credentials necessary (i.e., licensed, and bonded, as required) to perform the work required herein. Contractor shall include a similar provision in any contract with any subcontractor selected to perform work hereunder. Contractor, also, agrees that DCH may approve or disapprove Contractor's subcontractors, or its staff assigned to this Contract prior to the proposed staff assignment. DCH also may approve or disapprove any proposed changes in key staff, or require the removal or reassignment of any Contractor employee or subcontractor employee found to be unacceptable by DCH.

Should Contractor at any time: 1) refuse or neglect to supply adequate and competent supervision; 2) refuse or fail to provide sufficient and properly skilled personnel, equipment, or materials of the proper quality or quantity; 3) fail to provide the services in accordance with the timeframes, schedule or dates set forth in Section 1 of this Contract; or 4) fail in the performance of any term or condition contained in this Contract, DCH may (in addition to any other contractual, legal or equitable remedies) proceed to take any one or more of the following actions after five (5) calendar days written notice to Contractor:

- withhold any monies then or next due to Contractor; or,
- obtain the services or their equivalent from a third party, pay the third party for same, and withhold the amount so paid to third party from any money then or thereafter due Contractor; or,
- withhold monies in the amount of any damage caused by any deficiency and delay in the services.

## **11. CRIMINAL BACKGROUND CHECKS**

Contractor shall, upon request, provide DCH with a resume or satisfactory criminal background check or both of any member(s) of its staff or a subcontractor's staff assigned to or proposed to be assigned to any aspect of the performance of this Contract.

## **12. SUBCONTRACTS**

### **A. Use of Subcontractors**

Contractor will not subcontract or permit anyone other than Contractor personnel to perform any of the work, services, or other performance required of the Contractor under this Contract, or assign any of its rights or obligations hereunder, without the prior written consent of DCH. Prior to hiring or entering into an agreement with any subcontractor, any and all subcontractors shall be approved by DCH. Contractor shall, in writing, provide to DCH the names of all proposed or actual subcontractors, the scope of work of each subcontractor, and the percentage of work to be performed by each subcontractor relative to the total scope of the Contract. Contractor is solely responsible for all work contemplated and required by this Contract, whether Contractor performs the work directly or through a subcontractor.

Contractor shall give DCH immediate notice in writing by registered mail or certified mail of any action or suit filed by any subcontractor and prompt notice of any claim made against Contractor by any subcontractor or vendor that in the opinion of Contractor, may result in litigation related in any way to this Contract.

**B. Cost or Pricing by Subcontractors**

Contractor shall submit, or shall require any subcontractors hereunder to submit, cost or pricing data for any subcontract to this Contract prior to award. Contractor shall, also, certify that the information submitted by subcontractor is to the best of their knowledge and belief, accurate, complete and current as of the date of agreement, or the date of the negotiated price of the subcontract to the Contract or Amendment to the Contract. Contractor shall insert the substance of this section in each subcontract hereunder.

If DCH determines that any price, including profit or fee, negotiated in connection with this agreement, or any cost reimbursable under this Contract was increased by any significant sum because of the inaccurate cost or pricing data, then such price and cost shall be reduced accordingly and this Contract and the subcontract shall be modified in writing to reflect such reduction.

**13. REQUIRED TRAVEL, TRAVEL EXPENSES**

Should DCH formally request Contractor's participation in activities on DCH's behalf, which require travel, Contractor will be reimbursed for travel necessary to that activity in accordance with the State and DCH travel policies, procedures and prevailing per diem rates which may be found at [www2.state.ga.us/Departments/AUDIT/m&lg/travlreg.html](http://www2.state.ga.us/Departments/AUDIT/m&lg/travlreg.html), and are incorporated herein by reference and made a part of this Contract as if completely restated herein. The travel must be specifically required and approved by the DCH Project Leader listed in Section 26, **Notice**, prior to such travel with the duration, purpose and location of travel and any other pertinent information requested by the Project Leader needed for approval.

**14. LICENSE, CERTIFICATE, PERMIT REQUIREMENT**

Contractor shall have, obtain, and maintain in good standing any Georgia-licenses, certificates and permits that are required prior to and during the performance of work under this Contract. Contractor agrees to provide DCH with certified copies of all licensees, certificates and permits necessary upon request.

**15. RISK OR LOSS**

DCH takes no title to any of Contractor's goods used in providing the services and/or deliverables hereunder and Contractor shall bear all risk of loss for any goods used in performing work pursuant to this Contract.

**16. PROHIBITION OF GRATUITIES AND LOBBYIST DISCLOSURES**

Contractor, in the performance of this Contract, shall not offer or give, directly or indirectly, to any employee or agent of the State of Georgia, any gift, money or anything of value, or any promise, obligation, or contract for future reward or compensation at any

time during the term of this Contract, and shall comply with the disclosure requirements set forth in O.C.G.A. § 45-1-6.

Contractor also states and warrants that it has complied with all disclosure and registration requirements for vendor lobbyists as set forth in O.C.G.A. § 21-5-1, et. seq. and all other applicable law, including but not limited to registering with the State Ethics Commission. In addition, Contractor states and warrants that no federal money has been used for any lobbying of State officials, as required under applicable federal law. For the purposes of this Contract, vendor lobbyists are those who lobby state officials on behalf of businesses that seek a contract to sell goods or services to the State or oppose such Contract.

## **17. RECORDS REQUIREMENTS**

Contractor agrees to maintain books, records, documents, and other evidence pertaining to the costs and expenses of this Contract to the extent and in such detail as will properly reflect all costs for which payment is made under the provisions of this Contract and/or any document that is a part of this Contract by reference or inclusion. Contractor's accounting procedures and practices shall conform to generally accepted accounting principles, and the costs properly applicable to the Contract shall be readily ascertainable therefrom.

### **A. Records Retention Requirements**

Contractor shall preserve and make available all of its records pertaining to the performance under this Contract for a period of three (3) years from the date of final payment under this Contract, and for such period, if any, as is required by applicable statute or by any other section of this Contract. If the Contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for period of three (3) years from the date of termination or of any resulting final settlement. Records that relate to appeals, litigation, or the settlements of claims arising out of the performance of this Contract, or costs and expenses of any such agreements as to which exception has been taken by the State Auditor or any of his duly authorized representatives, shall be retained by Contractor until such appeals, litigation, claims or exceptions have been disposed of.

### **B. Access to Records**

The State and federal standards for audits of DCH agents, contractors, and programs are applicable to this section and are incorporated by reference into this Contract as though fully set out herein. Pursuant to the requirements of 42 C.F.R. § 434.6(a)(5) and 42 C.F.R. § 434.38, Contractor shall make all of its books, documents, papers, provider records, medical records, financial records, data, surveys and computer databases available for examination and audit by the DCH, State Attorney General, State Health Care Fraud Control Unit, the State Department of Audits, or authorized state or federal personnel. Any records requested hereunder shall be produced immediately for on-site review or sent to the requesting authority by mail within fourteen (14) calendar days following a request. All records shall be provided at the sole cost and expense of Contractor. DCH shall have unlimited rights to use, disclose, and duplicate all information

and data in any way relating to the Contract in accordance with applicable state and federal laws and regulations.

## **18. CONFIDENTIALITY REQUIREMENTS**

Contractor shall treat all information that is obtained or viewed by it or through its staff and subcontractors performance under this Contract as confidential information, and shall not use any information so obtained in any manner except as necessary for the proper discharge of its obligations. Employees or authorized subcontractors of Contractor who have a reasonable need to know such information for purposes of performing their duties under this Contract shall use personal or patient information, provided such employees and/or subcontractors have first signed an appropriate non-disclosure agreement that has been approved and maintained by DCH. Contractor shall remove any person from performance of services hereunder upon notice that DCH reasonably believes that such person has failed to comply with the confidentiality obligations of this Contract. Contractor shall replace such removed personnel in accordance with the staffing requirements of this Contract. DCH, the Georgia Attorney General, federal officials as authorized by federal law or regulations, or the authorized representatives of these parties shall have access to all confidential information in accordance with the requirements of state and federal laws and regulations.

The Contractor also agrees to assist DCH in its efforts to comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its related amendments, rules, procedures, and regulations. To that end, the Contractor will cooperate and abide by any requirements mandated by HIPAA or any other applicable law. The Contractor acknowledges that HIPAA may require the Contractor and DCH to sign a Business Associate Agreement or other documents for compliance purposes, including but not limited to "Attachment E" (Business Associate Agreement). The Contractor agrees to cooperate with DCH on these matters and to sign whatever documents are required for HIPAA compliance and to abide by their terms and conditions.

## **19. TERMINATION OF CONTRACT**

This Contract may terminate or may be terminated by DCH for any or all of the following reasons:

- default by the Contractor; or
- convenience of DCH; or
- insolvency or declaration of bankruptcy by the Contractor; or
- sufficient appropriated funds no longer exist for the payment of DCH's obligation under this Contract.

### **A. Termination for Default**

The failure of Contractor to perform or comply with any term, condition, or provision of this Contract shall constitute a default by Contractor. In the event of default, DCH shall notify Contractor by certified or registered mail, return receipt requested, of the specific act or omission of Contractor that constitutes default. Contractor shall have fifteen (15) calendar days from the date of receipt of such notification to cure such default. In the event of default, and during the above-specified grace period, performance under the Contract shall continue as though

the default had never occurred. In the event the default is not cured in fifteen (15) calendar days, DCH may, at its sole option, terminate the Contract for default. Such termination shall be accomplished by written notice of termination forwarded to Contractor by certified or registered mail, return receipt requested, and shall be effective at the close of business on the date specified in the notice. If it is determined, after notice of termination for default, that Contractor's failure was due to causes beyond the control of and without error or negligence of Contractor, the termination shall be deemed a termination for convenience.

**B. Termination for Convenience**

DCH may terminate performance of work under the Contract in whole or in part whenever, for any reason, DCH determines that such termination is in the best interest of the State. In the event that DCH elects to terminate the Contract pursuant to this provision, it shall so notify Contractor by certified or registered mail, return receipt requested. The termination shall be effective as of the date specified in the notice.

**C. Termination for Bankruptcy or Insolvency**

In the event that Contractor ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or its assets or avails itself of, or becomes subject to, any proceedings under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of the rights of creditors, DCH may, at its option, terminate this Contract. In the event DCH elects to terminate the Contract under this provision, it shall do so by sending notice of termination to Contractor by certified or registered mail, return receipt requested. The date of termination shall be deemed to be the date such notice is mailed to Contractor, unless otherwise specified.

**D. Termination for Unavailability of Funds**

Notwithstanding any other provision of this Contract, the parties hereto agree that the charges hereunder are payable by DCH from appropriations received by DCH from the General Assembly of the State. In the event such appropriations are determined at the sole discretion of the Commissioner of DCH to no longer exist or to be insufficient with respect to the charges payable hereunder, this Contract shall terminate without further obligation of DCH as of that moment. In such event, the Commissioner of DCH shall certify to Contractor the occurrence thereof, and such certification shall be conclusive.

**E. Termination Procedures**

Contractor shall:

- Stop work under the Contract on the date and to the extent specified in the notice of termination;
- Place no further orders or subcontract for materials, services, or facilities, except as may be necessary for completion of such portion of the work under the Contract as is not terminated;

- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination;
- Assign to DCH, in the manner and to the extent directed by the Contract Administrator, all of the right, title, and interest of Contractor under the orders or subcontracts so terminated, in which case DCH shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- With the approval of the Contract Administrator, settle all outstanding liabilities and all claims arising out of such termination or orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of the Contract;
- Complete the performance of such part of the work as shall not have been terminated by the notice of termination;
- Take such action as may be necessary, or as the Contract Administrator may direct, for the protection and preservation of any and all property or information related to the Contract that is in the possession of Contractor and in which DCH has or may acquire an interest.

#### **F. Termination Claims**

After receipt of a notice of termination, Contractor shall submit to the Contract Administrator any termination claim in the form and with the certification prescribed by the Contract Administrator. Such claim shall be submitted promptly but in no event later than three (3) months from the effective date of termination. Upon failure of Contractor to submit its termination claim within the time allowed, the Contract Administrator may, subject to any review required by the state procedures in effect as of the date of execution of the Contract, determine, on the basis of information available, the amount, if any, due to Contractor by reason of the termination and shall thereupon cause to be paid to Contractor the amount so determined.

Upon receipt of notice of termination, Contractor shall have no entitlement to receive any amount for lost revenues or anticipated profits or for expenditures associated with this or any other contract. Upon termination Contractor shall be paid in accordance with the following:

- At the contract price(s) for completed deliverables and services delivered to and accepted by DCH; and/or
- At a price mutually agreed upon by Contractor and DCH for partially completed deliverables.

In the event of the failure of Contractor and DCH to agree in whole or in part as to the amounts with respect to costs to be paid to Contractor in connection with the total or partial termination of work pursuant to this article, DCH shall determine, on the basis of information available, the amount, if any, due to Contractor by reason of termination and shall pay to Contractor the amount so determined.

## **20. LIQUIDATED DAMAGES**

In the event that Contractor fails to meet the requirements of the RFP and this Contract and financial damages are difficult or impossible to ascertain exactly, Contractor agrees

to pay DCH the sums set forth below as liquidated damages, not as a penalty but as damages, provided DCH and its subcontractors and agents have timely satisfied the requirements in the final project work plan.

**21. INDEMNIFICATION**

Contractor hereby releases and agrees to indemnify and hold harmless DCH, the State of Georgia and its departments, agencies and instrumentalities (including the State Tort Claims Trust Fund, the State Authority Liability Trust Fund, The State Employee Broad Form Liability Funds, the State Insurance and Hazard Reserve Fund, and other self-insured funds, all such funds hereinafter collectively referred to as the "Funds") from and against any and all claims, demands, liabilities, losses, costs or expenses, and attorneys' fees, caused by, growing out of, or arising from this Contract, due to any act or omission on the part of Contractor, its agents, employees, customers, invitees, licensees or others working at the direction of Contractor or on its behalf, or due to any breach of this Contract by Contractor, or due to the application or violation of any pertinent federal, state or local law, rule or regulation. This indemnification extends to the successors and assigns of Contractor, and this indemnification survives the termination of the Contract and the dissolution or, to the extent allowed by the law, the bankruptcy of Contractor.

**22. INSURANCE**

Contractor shall, at a minimum, prior to the commencement of work, procure the insurance policies identified below at Contractor's own cost and expense and shall furnish DCH with proof of coverage at least in the amounts indicated. It shall be the responsibility of Contractor to require any subcontractor to secure the same insurance coverage as prescribed herein for Contractor, and to obtain a certificate evidencing that such insurance is in effect. In addition, Contractor shall indemnify and save harmless DCH and the State from any liability arising out of Contractor's or subcontractor's untimely failure in securing adequate insurance coverage as prescribed herein:

Workers' Compensation Insurance, the policy (ies) to insure the statutory limits established by the General Assembly of the State of Georgia. The Workers' Compensation Policy must include Coverage B – Employer's Liability Limits of:

Bodily Injury by Accident	\$ 500,000 each accident
Bodily Injury by Disease	\$ 500,000 each employee \$ 1,000,000 policy limits

Contractor shall require all subcontractors performing work under this Contract to obtain An Insurance certificate showing proof of Worker's Compensation Coverage.

Commercial General Liability Policy (ies) as follows:

Combined Single Limits:	\$ 1,000,000 per person \$ 3,000,000 per occurrence
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Commercial Umbrella Policy as follows:

Liability for property damage in the amount of \$5,000,000, including contents coverage for all records maintained pursuant to this Contract.

Contractor agrees that the above coverage must be obtained for separately for the Medicaid Fee-For-Service Rebate and the Supplemental Rebate Programs. The coverage requirement is separate and distinct for each program.

### **23. PERFORMANCE BOND**

Contractor shall obtain at Contractor's own expense a performance bond issued by a surety company authorized to do business in the State of Georgia in an amount equal to the value of the Contract for each fiscal year of the Contract, which includes renewals, for all work that may be undertaken pursuant to the Contract. The performance bond shall be in the form of the Performance Bond attached to this Contract as "Exhibit 1."

The Performance Bond shall cover the period beginning with the implementation phase through the life of the Contract, including but not limited to amendments, renewals and extensions. The amount of the Performance Bond shall be adjusted every six (6) months to reflect any increase in the amount of work to be performed under this Contract. Contractor shall provide DCH with written documentation of the surety and the actual performance bond during any interim period. This requirement does not preclude the annual submission requirement.

### **24. COMPLIANCE WITH ALL LAWS**

Contractor agrees to comply with applicable federal and state laws, rules and regulations, and the State's policy relative to nondiscrimination in employment practices because of political affiliation, religion, race, color, sex, physical handicap, age, or national origin. Nondiscrimination in employment practices is applicable to employees for employment, promotions, dismissal and other elements affecting employment.

Contractor agrees that all work done as part of this Contract will comply fully with applicable administrative and other requirements established by applicable federal and state laws and regulations and guidelines, including but not limited to §1902(a)(7) of the Social Security Act and DCH Policies and Procedures, and assumes responsibility for full compliance with all such applicable laws, regulations, and guidelines, and agrees to fully reimburse DCH for any loss of funds or resources or overpayment resulting from non-compliance by Contractor, its staff, agents or subcontractors, as revealed in subsequent audits. The provisions of the Fair Labor Standards Act of 1938 (29 U.S.C. § 201 et seq.) and the rules and regulations as promulgated by the United States Department of Labor in Title XXIX of the Code of Federal Regulations are applicable to this Contract. Contractor shall agree to conform with such federal laws as affect the delivery of services under this Contract including but not limited to the Titles VI, VII, XIX of the Social Security Act, the Federal Rehabilitation Act of 1973, the Davis Bacon Act (40 U.S.C. § 276a et seq.), the Copeland Anti-Kickback Act (40 U.S.C. § 276c), and the Americans with Disability Act of 1993 (including but not limited to 28 C.F.R. § 35.100 et seq.). Contractor will agree to conform to such requirements or regulations as the United States Department of Health and Human Services may issue from time to time. Authority to implement federal requirements or regulations will be given to Contractor by DCH in the form of a contract amendment.

### **25. CONFLICT RESOLUTION**

Any dispute concerning a question of fact arising under the Contract that is not disposed of by agreement shall be decided by the Contract Administrator who shall reduce his or

her decision to writing and mail or otherwise furnish a copy thereof to Contractor. The decision of the Contract Administrator shall be final and conclusive unless, within ten (10) calendar days from the date of receipt of such copy, Contractor mails or otherwise furnishes a written appeal to the Commissioner of DCH. The decision of the Commissioner or his duly authorized representative for the determination of such appeal shall be final and conclusive unless otherwise determined by a court of competent jurisdiction. In connection with any appeal proceeding under this provision, Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending a final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the Contract.

## **26. CONFLICT OF INTEREST**

No official or employee of the State of Georgia or the federal government who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the project shall, prior to the completion of the project, voluntarily acquire any personal interest, direct or indirect, in this Contract or proposed Contract.

Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any material manner or degree with, or have a material adverse effect on the performance of its services hereunder. Contractor further covenants that in the performance of the Contract no person having any such interest shall be employed.

All of the Parties hereby certify that the provisions of O.C.G.A. §45-10-20 through §45-10-28, which prohibit and regulate certain transactions between state officials and employees and the State of Georgia, have not been violated and will not be violated in any respect throughout the term.

## **27. NOTICE**

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand, or three (3) calendar days after posting, if sent by registered or certified mail, return receipt requested, to a party hereto at the addresses set forth below or to such other address as a party may designate by notice pursuant hereto.

### **For DCH:**

#### **Contract Administration:**

\_\_\_\_\_, Contract Specialist II  
Georgia Department of Community Health  
2 Peachtree Street, NW - 35<sup>th</sup> Floor  
Atlanta, GA 30303-3159  
(404) \_\_\_\_\_ – Phone  
(404) \_\_\_\_\_ – Fax  
e-mail address: \_\_\_\_\_

**Project Leader:**

\_\_\_\_\_  
Georgia Department of Community Health  
2 Peachtree Street, NW – 37<sup>th</sup> Floor  
Atlanta, GA 30303-3159

(404) \_\_\_\_\_ – Phone

(404) \_\_\_\_\_ – Fax

e-mail address: \_\_\_\_\_

**For Contractor:**

\_\_\_\_\_  
\_\_\_\_\_  
(404) - Phone

(404) - Fax

e-mail address

It shall be the responsibility of Contractor to inform the Contract Administrator of any change in address in writing no later than five (5) days after the change.

**28. MISCELLANEOUS**

**A. Choice of Law or Venue**

This Contract shall be governed in all respects by the laws of the State of Georgia. Any lawsuit or other action brought against DCH or the State based upon or arising from this Contract shall be brought in a court or other forum of competent jurisdiction in Fulton County in the State of Georgia.

**B. Attorney's Fees**

In the event that either party deems it necessary to take legal action to enforce any provision of the Contract, and in the event DCH prevails, Contractor agrees to pay all expenses of such action including reasonable attorney's fees and costs at all stages of litigation as awarded by the court, a lawful tribunal, hearing officer or administrative law judge. If Contractor prevails in any such action, the court or hearing officer, at its discretion, may award costs and reasonable attorney's fees to the Contractor. The term legal action shall be deemed to include administrative proceedings of all kinds, as well as all actions at law or equity.

**C. Survivability**

The terms, provisions, representations and warranties contained in this Contract shall survive the delivery or provision of all services or deliverables hereunder.

**D. Drug-Free Workplace**

Contractor must certify to DCH that a drug-free workplace will be provided for

Contractor's employees during the performance of the Contract as required by the "Drug-Free Workplace Act", O.C.G.A. § 50-24-1, et seq. and applicable federal law. Contractor will secure from any subcontractor hired to work in a drug-free workplace such similar certification. Any false certification by Contractor or violation of such certification, or failure to carry out the requirements set forth in the Code, may result in Contractor being suspended, terminated or debarred from the performance of this Contract.

**E. Certification Regarding Debarment, Suspension, Proposed Debarment and Other Matters**

Contractor certifies that it is not presently debarred, suspended, proposed for debarment or declared ineligible for award of contracts by any federal or State agency.

**F. Waiver**

The waiver by DCH of any breach of any provision contained in this Contract shall not be deemed to be a waiver of such provision on any subsequent breach of the same or any other provision contained in this Contract and shall not establish a course of performance between the parties contradictory to the terms hereof.

**G. Force Majeure**

Neither party to this Contract shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, strikes, riots, lockouts, acts of war, epidemics, fire, earthquakes, or other disasters.

**H. Binding**

This Contract shall be binding on DCH and Contractor and their respective successors and permitted assigns.

**I. Time is of the Essence**

Time is of the essence in this Contract. Any reference to "days" shall be deemed calendar days unless otherwise specifically stated.

**J. Authority**

DCH has full power and authority to enter into this Contract, and Contractor has full authority to enter into this Contract, and the person signing on behalf of Contractor has been properly authorized and empowered to enter into this Contract on behalf of Contractor and to bind Contractor to the terms of this Contract. Each party further acknowledges that it: has had the opportunity to consult with and/or retain legal counsel of its choice; read this Contract; understands this Contract; and agrees to be bound by it.

**29. AMENDMENT IN WRITING**

No amendment, waiver, termination or discharge of this Contract, or any of the terms or

provisions hereof, shall be binding upon either party unless confirmed in writing. None of the Solicitation Documents may be modified or amended, except by writing executed by both parties. Additionally, Centers for Medicare and Medicaid Services (hereinafter "CMS") approval may be required before any such amendment is effective. DCH shall determine, in its sole discretion, when such CMS approval is required. Any agreement of the parties to amend, modify, eliminate or otherwise change any part of this Contract shall not affect any other part of this Contract, and the remainder of this Contract shall continue to be of full force and effect as set out herein.

**30. CONTRACT ASSIGNMENT**

Contractor shall not assign this Contract, in whole or in part, without the prior written consent of DCH, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

**31. SEVERABILITY**

Any section, subsection, paragraph, term, condition, provision, or other part of this Contract that is judged, held, found or declared to be voidable, void, invalid, illegal or otherwise not fully enforceable shall not affect any other part of this Contract, and the remainder of this Contract shall continue to be of full force and effect as set out herein.

**32. ENTIRE AGREEMENT**

This Contract constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or contracts. No written or oral agreements, representatives, statements, negotiations, understandings, or discussions that are not set out, referenced, or specifically incorporated in this Contract shall in any way be binding or of effect between the parties.

*(Signatures on the following page)*

**SIGNATURE PAGE**

**IN WITNESS WHEREOF**, the parties state and affirm that they are duly authorized to bind the respected entities designated below as of the day and year indicated.

**GEORGIA DEPARTMENT OF COMMUNITY HEALTH**

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Date

**CONTRACTOR NAME**

BY: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print/Type Name

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
AFFIX CORPORATE SEAL HERE  
(Corporations without a seal, attach a  
Certificate of Corporate Resolution)

ATTEST:

\_\_\_\_\_  
\*\*SIGNATURE

\_\_\_\_\_  
TITLE

**GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES (SIGNED AS TO FORM):**

\_\_\_\_\_  
By: Keith Nixon, Acquisitions Manager for Services & Commodities

\_\_\_\_\_  
Date

\_\_\_\_\_  
\* Must be President, Vice President, CEO or other authorized officer

\_\_\_\_\_  
\*\*Must be Corporate Secretary

**ATTACHMENT A**

## **DRUG-FREE WORKPLACE CERTIFICATE**

### **U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS) CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS GRANTEES OTHER THAN INDIVIDUALS**

By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.

This certification is required by regulations implementing the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F. The regulations, published in the January 31, 1989 Federal Register, require certification by grantees that they will maintain a drug-free workplace. The certification set out below is a material representation of fact upon which reliance will be placed when HHS makes a determination regarding the award of the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government-wide suspension or debarment.

The grantee certifies that it will provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing a drug-free awareness program to inform employees about:
  - a) The dangers of drug abuse in the workplace;
  - b) The grantee's policy of maintaining a drug-free workplace;
  - c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee who will be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will:
  - a) Abide by the terms of the statement; and
  - b) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
5. Notifying the agency within ten days after receiving notice under subparagraph 4. b) from an employee or otherwise receiving actual notice of such conviction;
6. Taking one of the following actions, within 30 days of receiving notice under subparagraph 4. b), with respect to any employee who is so convicted:
  - a) Taking appropriate personnel action against such an employee, up to and including termination; or
  - b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5, and 6.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ATTACHMENT B**

## CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT AND OTHER RESPONSIBILITY MATTERS



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

### Federal Acquisition Regulation 52.209-5, Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters (March 1996)

- (a)
  - (1) The Offeror certifies, to the best of its knowledge and belief, that—
    - (i) The Offeror and/or any of its Principals—
      - A. Are ☐ are not ☐ presently debarred, suspended, proposed for debarment, or declared ineligible for award of contracts by any Federal agency;
      - B. Have ☐ have not ☐ within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, evasion, or receiving stolen property; and
      - C. Are ☐ are not ☐ presently indicted for, or otherwise criminally or civilly charged by a governmental entity with commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.
    - (ii) The Offeror has ☐ has not ☐ within a three-year period preceding this offer, had one or more contracts terminated for default by any federal agency.
  - (2) “Principals,” for purposes of this certification, means officers, directors, owners, partners, and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment; and similar positions).
- (a) This certification concerns a matter within the jurisdiction of an Agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under 18 U.S.C. § 1001.
- (b) The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
- (c) A certification that if any of the items in paragraph (a) of this provision exist will not necessarily result in withholding of an award under this solicitation. However, the certification will be considered in connection with a determination of the Offeror’s responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror non-responsible.
- (d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
- (e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

Offeror:

By: \_\_\_\_\_

Signature \_\_\_\_\_

\_\_\_\_\_ Date

\_\_\_\_\_  
Name and Title

## GEORGIA DEPARTMENT OF COMMUNITY HEALTH NONPROFIT ORGANIZATION DISCLOSURE FORM

Notice to all DCH Contractors: Pursuant to Georgia law, nonprofit organizations that receive funds from a state organization must comply with audit requirements as specified in O.C.G.A. § 50-20-1 et seq. (hereinafter "the Act") to ensure appropriate use of public funds. "Nonprofit Organization" means any corporation, trust, association, cooperative, or other organization that is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; is not organized primarily for profit; and uses its net proceeds to maintain, improve or expand its operations. The term nonprofit organization includes nonprofit institutions of higher education and hospitals. For financial reporting purposes, guidelines issued by the American Institute of Certified Public Accountants should be followed in determining nonprofit status.

The Department of Community Health (DCH) must report contracts with nonprofit organizations to the Department of Audits and must ensure compliance with the other requirements of the Act. Prior to execution of any contract, the potential contractor must complete this form disclosing its corporate status to DCH. This form must be returned, along with proof of corporate status, to: Elvina Calland, Director, Contract and Procurement Administration, Georgia Department of Community Health, 35th Floor, 2 Peachtree Street, N.W., Atlanta, Georgia 30303-3159.

Acceptable proof of corporate status includes, but is not limited to, the following documentation:

- Financial statements for the previous year;
- Employee list;
- Employee salaries;
- Employees' reimbursable expenses; and
- Corrective action plans.

Entities that meet the definition of nonprofit organization provided above and are subject the requirements of the Act will be contacted by DCH for further information.

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

CORPORATE STATUS: (check one): For Profit \_\_\_\_\_ Non-Profit \_\_\_\_\_

*I, the undersigned duly authorized representative of \_\_\_\_\_ do hereby attest that the above information is true and correct to the best of my knowledge.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**STATE OF GEORGIA  
THE GEORGIA DEPARTMENT OF COMMUNITY HEALTH  
2 PEACHTREE STREET, N.W.  
ATLANTA, GEORGIA 30303-3159**

**CONFIDENTIALITY STATEMENT  
FOR SAFEGUARDING INFORMATION**

I, the undersigned, understand, and by my signature agree to comply with Federal and State requirements **(References: 42 CFR 431.300 – 431.306. Chapter 350-5 of Rules of Georgia Department of Community Health)** regarding the safeguarding of Medicaid information in my possession, including but not limited to information which is electronically obtained from the DCH Fiscal Agent while performing contractual services with the Department of Community Health, its agents or contractors.

Individual's Name: (typed or printed): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Company or Agency Name and Address: \_\_\_\_\_

**BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (hereinafter referred to as "Agreement"), effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ is made and entered into by and between the Georgia Department of Community Health (hereinafter referred to as "DCH") and \_\_\_\_\_ (hereinafter referred to as "Contractor") as Amendment No. \_\_\_\_\_ to Contract No. \_\_\_\_\_ between DCH and Contractor dated \_\_\_\_\_ ("Contract").

**WHEREAS**, DCH is required by the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), to enter into a Business Associate Agreement with certain entities that provide functions, activities, or services involving the use of Protected Health Information ("PHI");

**WHEREAS**, Contractor, under Contract No. \_\_\_\_\_ (hereinafter referred to as "Contract"), may provide functions, activities, or services involving the use of PHI;

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, DCH and Contractor (each individually a "Party" and collectively the "Parties") hereby agree as follows:

1. Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule, published as the Standards for Privacy of Individually Identifiable Health Information in 45 CFR Parts 160 and 164 ("Privacy Rule");
2. Except as limited in this Agreement, Contractor may use or disclose PHI only to extent necessary to meet its responsibilities as set forth in the Contract provided that such use or disclosure would not violate the Privacy Rule if done by DCH.
3. **Unless otherwise required by Law, Contractor agrees:**
  - A. That it will not request, create, receive, use or disclose PHI other than as permitted or required by this Agreement or as required by law.
  - B. To establish, maintain and use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.
  - C. To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of this Agreement.
  - D. That its agents or subcontractors are subject to the same obligations that apply to Contractor under this Agreement and Contractor agrees to ensure that its agents or subcontractors comply with the conditions, restrictions, prohibitions and other limitations regarding the request for, creation, receipt, use or disclosure of PHI, that are applicable to Contractor under this Agreement.
  - E. To report to DCH any use or disclosure of PHI that is not provided for by this Agreement of which it becomes aware. Contractor agrees to make such report to DCH in writing in such form as DCH may require within twenty-four (24) hours after Contractor becomes aware.
  - F. To make any amendment(s) to PHI in a Designated Record Set that DCH directs or agrees to pursuant to 45 CFR 164.326 at the request of DCH or an Individual, within five (5) business days after request of DCH or of the Individual. Contractor also agrees to

provide DCH with written confirmation of the amendment in such format and within such time as DCH may require.

- G. To provide access to PHI in a Designated Record Set, to DCH upon request, within five (5) business days after such request, or, as directed by DCH, to an Individual. Contractor also agrees to provide DCH with written confirmation that access has been granted in such format and within such time as DCH may require.
- H. To give DCH, the Secretary of the U.S. Department of Health and Human Services (the "Secretary") or their designees access to Contractor's books and records and policies, practices or procedures relating to the use and disclosure of PHI for or on behalf of DCH within five (5) business days after DCH, the Secretary or their designees request such access or otherwise as DCH, the Secretary or their designees may require. Contractor also agrees to make such information available for review, inspection and copying by DCH, the Secretary or their designees during normal business hours at the location or locations where such information is maintained or to otherwise provide such information to DCH, the Secretary or their designees in such form, format or manner as DCH, the Secretary or their designees may require.
- I. To document all disclosures of PHI and information related to such disclosures as would be required for DCH to respond to a request by an Individual or by the Secretary for an accounting of disclosures of PHI in accordance with the requirements of the Privacy Rule.
- J. To provide to DCH or to an Individual, information collected in accordance with Section 3. I. of this Agreement, above, to permit DCH to respond to a request by an Individual for an accounting of disclosures of PHI as provided in the Privacy Rule.

**4. Unless otherwise required by Law, DCH agrees:**

That it will notify Contractor of any new limitation in DCH's Notice of Privacy Practices in accordance with the provisions of the Privacy Rule if, and to the extent that, DCH determines in the exercise of its sole discretion that such limitation will affect Contractor's use or disclosure of PHI.

That it will notify Contractor of any change in, or revocation of, permission by an individual for DCH to use or disclose PHI to the extent that DCH determines in the exercise of its sole discretion that such change or revocation will affect Contractor's use or disclosure of PHI.

That it will notify Contractor of any restriction regarding its use or disclosure of PHI that DCH has agreed to in accordance with the Privacy Rule if, and to the extent that, DCH determines in the exercise of its sole discretion that such restriction will affect Contractor's use or disclosure of PHI.

5. The **Term of this Agreement** shall be effective as of \_\_\_\_\_, and shall terminate when all of the PHI provided by DCH to Contractor, or created or received by Contractor on behalf of DCH, is destroyed or returned to DCH, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

A. **Termination for Cause.** Upon DCH's knowledge of a material breach by Contractor, DCH shall either:

- (1) Provide an opportunity for Contractor to cure the breach or end the violation, and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by DCH;

- (2) Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible; or
- (3) If neither termination nor cure is feasible, DCH shall report the violation to the Secretary.

**B. Effect of Termination.**

- (1) Except as provided in paragraph (A.) (2) of this Section, upon termination of this Agreement, for any reason, Contractor shall return or destroy all PHI received from DCH, or created or received by Contractor on behalf of DCH. This provision shall apply to PHI that is in the possession of subcontractors or agents of Contractor. Neither Contractor nor its agents nor subcontractors shall retain copies of the PHI.
- (2) In the event that Contractor determines that returning or destroying the PHI is not feasible, Contractor shall send DCH detailed written notice of the specific reasons why it believes such return or destruction not feasible and the factual basis for such determination, including the existence of any conditions or circumstances which make such return or disclosure infeasible. If DCH determines, in the exercise of its sole discretion, that the return or destruction of such PHI is not feasible, Contractor agrees that it will limit its further use or disclosure of PHI only to those purposes DCH may, in the exercise of its sole discretion, deem to be in the public interest or necessary for the protection of such PHI, and will take such additional action as DCH may require for the protection of patient privacy or the safeguarding, security and protection of such PHI.
- (3) If neither termination nor cure is feasible, DCH shall report the violation to the Secretary.
- (4) Section 5. B. of this Agreement, regarding the effect of termination or expiration, shall survive the termination of this Agreement.

**C. Conflicting Termination Provisions.**

In the event of conflicting termination provisions or requirements, with respect to PHI, the termination provisions of Section 5 in this Business Associate Agreement shall control and supercede and control those in the underlying Contract.

6. **Interpretation.** Any ambiguity in this Agreement shall be resolved to permit DCH to comply with applicable Medicaid laws, rules and regulations, and the Privacy Rule, and any rules, regulations, requirements, rulings, interpretations, procedures or other actions related thereto that are promulgated, issued or taken by or on behalf of the Secretary; provided that applicable Medicaid laws, rules and regulations and the laws of the State of Georgia shall supercede the Privacy Rule if, and to the extent that, they impose additional requirements, have requirements that are more stringent than or have been interpreted to provide greater protection of patient privacy or the security or safeguarding of PHI than those of HIPAA and its Privacy Rule.
7. All other terms and conditions contained in the Contract and any amendment thereto, not amended by this Amendment, shall remain in full force and effect.

## SIGNATURE PAGE

Individual's Name: (typed or printed): \_\_\_\_\_

\*Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No. \_\_\_\_\_

Company or Agency Name and Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\* Must be President, Vice President, CEO or Other Authorized Officer

\*\*Must be Corporate Secretary

## VENDOR LOBBYIST DISCLOSURE AND REGISTRATION CERTIFICATION FORM



Pursuant to Executive Order Number 10.01.03.01 (the "Order"), which was signed by Governor Sonny Perdue on October 1, 2003, Contractors with the state are required to complete this form. The Order requires "Vendor Lobbyists," defined as those who lobby state officials on behalf of businesses that seek a contract to sell goods or services to the state or those who oppose such a contract, to certify that they have registered with the State Ethics Commission and filed the disclosures required by Article 4 of Chapter 5 of Title 21 of the Official Code of Georgia Annotated. Consequently, every vendor desiring to enter into a contract with the state must complete this certification form. False, incomplete, or untimely registration, disclosure, or certification shall be grounds for termination of the award and contract and may cause recoupment or refund actions against Contractor.

In order to be in compliance with Executive Order Number 10.01.03.01, please complete this Certification Form by designating only one of the following:

☐ Contractor does not have any lobbyist employed, retained, or affiliated with the Contractor who is seeking or opposing contracts for it or its clients. Consequently, Contractor has not registered anyone with the State Ethics Commission as required by Executive Order Number 10.01.03.01 and any of its related rules, regulations, policies, or laws.

☐ Contractor does have lobbyist(s) employed, retained, or affiliated with the Contractor who are seeking or opposing contracts for it or its clients. The lobbyists are:

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Contractor states, represents, warrants, and certifies that it has registered the above named lobbyists with the State Ethics Commission as required by Executive Order Number 10.01.03.01 and any of its related rules, regulations, policies, or laws.

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Contractor

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Date

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Signature

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Title of Signatory

**PERFORMANCE BOND****KNOW ALL MEN BY THESE PRESENTS:**

That \_\_\_\_\_ (Legal Name and Address of the Contractor) as principal (hereinafter "Contractor"), and \_\_\_\_\_, (Legal Name and Address of Surety) as Surety (hereinafter "Surety") are held and firmly bound unto the Insert Agency Name, an agency of the State of Georgia as Obligee (hereinafter "Obligee") in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), to which payment Contractor and Surety bind Themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, the above bounden Contractor has entered into Contract No. Enter Contract Number with the Obligee bearing date of \_\_\_\_\_ for \_\_\_\_\_ in accordance with the specifications contained in Contract No. Enter Contract Number (and all documents referenced or incorporated therein) (hereinafter, collectively, the "Contract") which Contract is incorporated by reference into this bond and made a part hereof.

**NOW THEREFORE, THE CONDITION OF THIS OBLIGATION** is such that, if the Contractor shall promptly and faithfully perform and comply with the terms and conditions of said Contract; and shall indemnify and save harmless the Obligee against and from all cost, expenses, damages, injury or loss to which said Obligee may be subjected by reason of any wrongdoing, misconduct, want of care or skill, default or failure of performance on the part of said Contractor (or Contractor's agents, subcontractors, employees or any other entity acting on Contractor's behalf) in the execution or performance of said Contract, then this obligation shall be null and void; otherwise, it shall remain in full force and effect.

- (1) The said Surety to this bond, for value received, hereby stipulates and agrees that no change or changes, extension of time or extensions of time, alteration or alterations or addition or additions to the terms of the Contract or to the work to be performed thereunder, or the specifications accompanying same shall in any wise affect its obligation on this bond, and it does hereby waive notice of any such change or changes, extension of time or extensions of time, alteration or alterations or addition or additions to the terms of the Contract or to the Deliverables (as defined in the Contract) or to the specifications or drawings.
- (2) If pursuant to the Contract, the Contractor shall be and is declared by Obligee to be in default or breach under the aforesaid Contract and the Obligee has performed Obligee's payment obligations thereunder not then in dispute, the Surety may promptly perform the Contract in accordance with its terms and conditions. It shall be the duty of the Surety to give an unequivocal notice in writing to the Obligee within twenty-five (25) days after receipt of a declaration of default of the Surety's election to either remedy the default or defaults promptly or to perform the Contract promptly, time being of the essence. In said notice of election, the Surety shall indicate the date on which the remedy or performance will commence, and it shall then be the duty of the Surety to give prompt notice in writing to the Obligee immediately upon completion of (a) the remedy and/or correction of each default, (b) the remedy and/or correction of each item of condemned work, (c) the furnishing of each omitted item of work, and (d) the performance of the Contract. The Surety shall not assert its Contractor as justification for its failure to give notice of election or for its failure to promptly remedy the default or defaults or perform the Contract.
- (3) Supplementary to and in addition to the foregoing, whenever the Obligee shall notify the Surety that the Obligee has notice that the Contractor has failed to pay any subcontractor, materialmen, or laborer for labor or materials certified by the Contractor as having been paid, the Surety shall, within twenty (20) days of receipt of such notice, cause to be paid any unpaid amounts for such labor and materials.

- (4) It is expressly agreed by the Contractor and the Surety that the Oblige, if he desires to do so, is at liberty to make inquiries at any time of subcontractors, laborers, materialmen, or other parties concerning the status of payments for labor, materials, or services furnished in the prosecution of the work.
- (5) No right of action shall accrue on this bond to or for the use of any person or corporation other than the Oblige named herein or the legal successors of the Oblige.
- (6) For the purposes of this bond, the name and address of the Authorized State of Georgia Licensed Agent to whom correspondence and telecommunications may be addressee and/or with whom business concerning this bond may be conducted will be as follows:

\_\_\_\_\_  
Name

\_\_\_\_\_  
City

\_\_\_\_\_  
Telephone

Signed and sealed this \_\_\_ day of \_\_\_\_\_ in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Title

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Surety

By: \_\_\_\_\_

Title \_\_\_\_\_

**COUNTERSIGNED**

By: \_\_\_\_\_

**APPENDIX F**

**SMALL OR MINORITY BUSINESS FORM**

Can your company be classified as a **SMALL BUSINESS** by the following definition?

- ♦ **Small Business** – means an independently owned and operated entity that has either fewer than on hundred (100) employees or less than one million dollars (\$1,000,000) in gross receipts per year. (State Statute 50-5-121)

☐ **YES**, if yes, please check the following reason(s) that apply:

☐ Less than 100 employees or ☐ Less than \$1,000,000 in gross annual receipts.

☐ **NO**

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♦ **Minority Owned Business Enterprise**

Can your company be classified as a **MINORITY OWNED BUSINESS** by the following definition?

- ♦ **Minority Owned Business** – means a business that is owned or controlled by one or more minority persons.

Please indicate below if your firm is owned or controlled and operated by one of the minorities listed.

African American	%	Asian American	%
Hispanic / Latino	%	Pacific Islander	%
Native American	%		

Are any of your suppliers Minority and/or small business enterprises? \_\_\_\_\_

---

**Ownership**

American Citizen

☐ YES

☐ NO

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## **APPENDIX G**

### **PROJECT SPECIFIC BACKGROUND**

The Department of Community Health was created in 1999 as the single state agency responsible for the coordination and administration of the health care purchasing decisions on behalf of the State of Georgia, which includes Georgia's Medicaid Program, and the State Health Benefit Plan. DCH covers approximately 2 million Georgians in one of the two (2) health plans mentioned above. A nine (9)-member board appointed by the Governor sets the general policy for the Department. DCH has three (3) divisions: Health Planning, Medical Assistance and Public Employees Health Benefits, which are responsible for the operation of the State Health Benefit Plan (SHBP). Through a contract with the Board of Regents of the University System of Georgia, the Division is also responsible for the coordination of health care purchasing on behalf of the health benefit plan for the Board of Regents (BOR).

This procurement is specific to Drug Rebate processing **for the Medicaid program only**. The basis for the Medicaid Drug Rebate program in the State of Georgia is embodied in Section 1927 of the Social Security Act established by the Omnibus Reconciliation Act of 1990 (OBRA 90), which mandated states to establish a program to ensure the collection of manufacturer drug rebates. The OBRA 90 regulation provides for rebates to states for drug claims paid by the States' Medicaid programs for the recipients. This program allows both the Federal and State governments (as volume buyers of prescription drugs through Medicaid) to collect rebates offered by the various pharmaceutical manufacturers. These funds, in turn, can be used to reduce the costs of administering the Medicaid programs. The Centers for Medicare and Medicaid Services (CMS) (formerly Health Care Financing Authority [HCFA]) regulates, monitors and signs the agreements with the participating manufacturers to ensure that the rebates are paid correctly and in a timely manner. The drug rebate program can be administered internally as was done in Georgia from 1991 until 1998 or services can be procured from external sources. The terms "labeler" and "manufacturer" are used interchangeably to indicate a drug manufacturing or distribution company or both participating in the program.

Supplemental Rebates were addressed in Release #38 to All State Medicaid Directors, Dated March 17, 1994, and titled "Separate Medicaid Drug Rebate Agreements with Manufacturers." It was reiterated recently in release number 102, November 15, 2000. In both, the approval process is stated in conjunction with the information that the Supplemental Rebates do not affect AMP (Average Manufacturer Price) or BP (Best Price). It also informs states that the reporting and sharing requirements with the Federal Government are to be on the same percentage basis as rebates under the national rebate agreement.

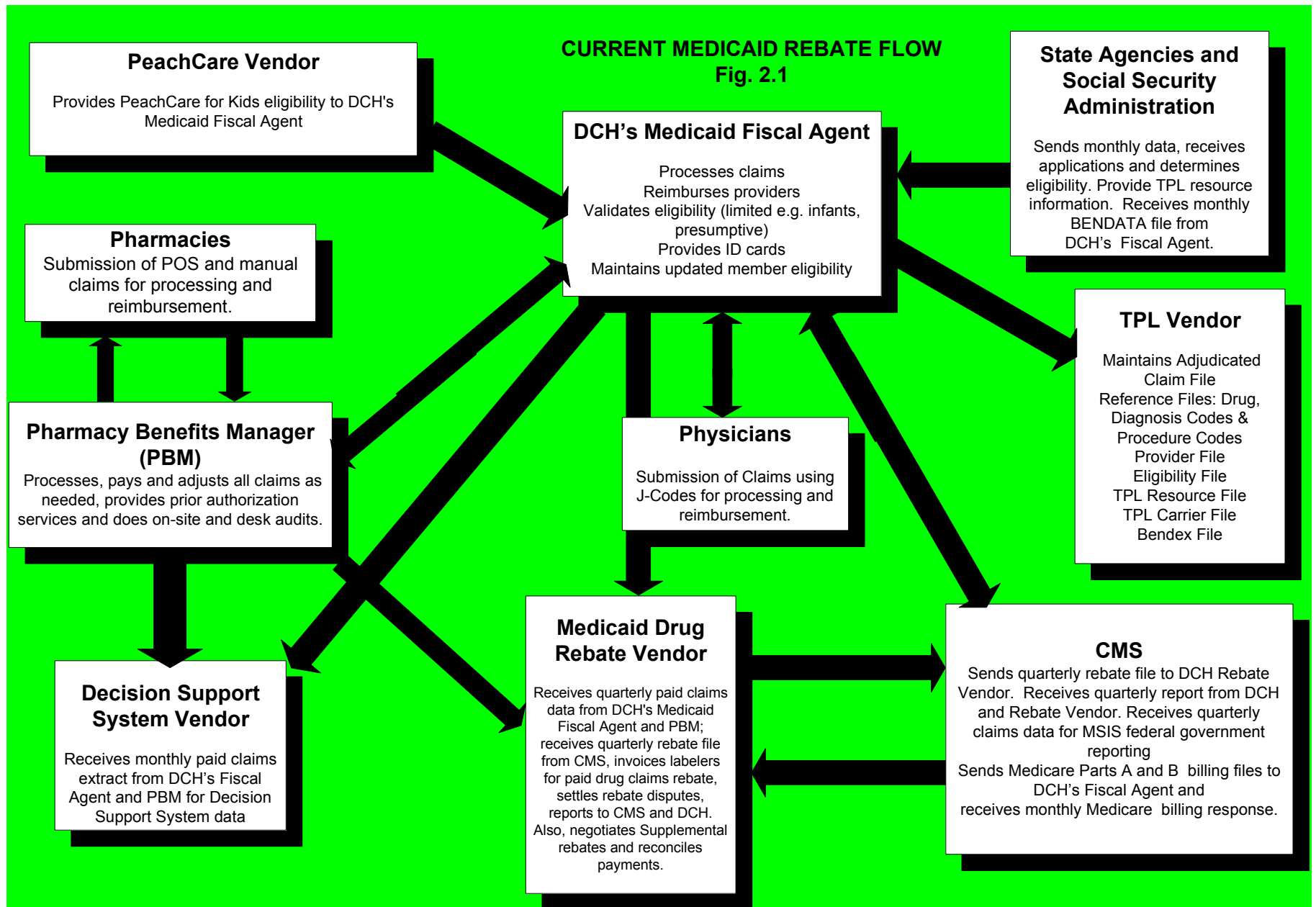
### **Medicaid Fee-For-Service Pharmacy Rebates and Supplemental Rebates System Improvements**

#### **Improvement Initiatives**

The availability of advanced technology now allows for the advantage of invoice previews, enabling correction of units by the vendor to more quickly resolve and reduce the number of drug rebate disputes. The new vendor will be required to have this system enhancement, in addition to utilizing output from providers resulting from their use of the new National Council of Prescription Drug Program (NCPDP) Standard 5.1, which is in compliance with HIPAA requirements. This new standard requires the processing of rebates using the metric decimal system instead of the current metric system, which requires rounding and conversion of units. The improved technology will increase both the ability to calculate and collect interest and the ability of the vendor's staff to refute or verify disputes. The additional capability of web-based preview by Manufacturers to determine and correct units in advance of invoicing is desirable.

### **Assessment of Improvement Initiatives**

The improvement initiatives should yield a remarkable decrease in the outstanding rebate amounts, with rebates paid in a timelier manner and less credits issued due to unit discrepancies. The percentage of rebates collected should increase compared to the current collection amounts. Please see Figure 2.1, for an overview of the existing technical environment.



## **APPENDIX H**

### **GLOSSARY**

CMS	Centers For Medicare and Medicaid Services
DCH (or Department)	Department of Community Health
DMA	Division of Medical Assistance
DOAS	Department of Administrative Services
Fixed Price Basis	Calculation of the price in which the total is a fixed lump sum or an amount made up of fixed unit prices.
Georgia Vendor Manual	May be downloaded and viewed on the Internet at DOAS web page at <a href="http://www.doas.state.ga.us">www.doas.state.ga.us</a> .
J-Code	Number assigned to a drug preceded by an alpha character used for billing by physicians in lieu of an NDC.
NCPDP	National Council of Prescription Drug Programs
NDC	National Drug Code
O.C.G.A.	Official Code of Georgia (State's statutes)
Offeror	Respondent to this Request for Proposal
PBM	Pharmacy Benefit Manager
PPA	Prior Period Adjustment
PQA	Prior Quarter Adjustment
RFP	Request for Proposals
ROSI	Reconciliation of State Invoices
RPU	Rebate Per Use

## APPENDIX I

### TECHNICAL QUESTIONNAIRE

This technical questionnaire is organized in the following sections:

- A. Mandatory Requirements
- B. System Description and Capabilities
- C. Invoice Production Process, Accounting and Reporting
- D. Control Procedures
- E. Operational Support
- F. Implementation
- G. Customization Phase
- H. Testing Phase
- I. Implementation Phase
- J. Operations/maintenance Phase
- K. Disaster Recovery
- L. Record Retention
- M. Turnover Tasks and Plan

Restate each question before your response. Your responses to the questions in this section should be based on current proven capabilities. You should describe future capabilities only as supplemental to your “current capabilities” response. All responses should be as complete and succinct as possible.

#### **A. Requirements**

- A-1 Demonstrate current corporate experience with fee-for-service Medicaid and similar drug rebate business provided to other companies, inclusive of special or supplemental fee-for-service Medicaid drug rebate negotiations and processing experience.
- A-2 Provide Client performance references for the immediate past 3 years for fee-for-service Medicaid Drug Rebates, Supplemental Rebates and negotiation activities. DCH will consider the performance history from proposed Offerors who have or are currently doing business with the DCH or the State of Georgia or both in the Administrative phase of this procurement. **Please use the form provided at Appendix J.**
- A-3 Give proof of having collected not less than 95% of invoiced rebates for three (3) fee-for-service Medicaid and Supplemental Rebate clients, noting the states for which they were obtained. and proof of less than five percent (5%) of submitted claims for a fiscal year being omitted or discarded as invalid.
- A-4 Provide written assurance for DCH/DMA by Offeror documenting that the award of this rebate business will not result in more than a 30% increase over current volumes of Medicaid fee-for-service rebate business (measured by paid claims data) and Supplemental Rebate business (measured by negotiated Supplemental Rebate contracts active and pending). Additionally, the Offeror must have the ability to process rebates from a total of 20,000,000 paid claims per year (based on FY 03 claims data) and the scalability to process an estimated 20% increase in the number of paid claims per year.

**B. System Description & Capabilities**

- B-1 Give a detailed description of the system (hard and software) that will be used for the processing, invoicing and accounting for drug rebates, including all dependencies and assumptions.
- B-2 Describe the technological advantages of the system solution that are to be incorporated.
- B-3 Describe the technology platforms and the number of platforms required for the entire process.
- B-4 Detail the ability of the system to support enhancements and upgrades and the testing to be performed that will ensure usability without interruption or disruption.
- B-5 Describe any proposed system modifications for your current system.
- B-6 Describe and explain the backup recovery plan.
- B-7 What are the system's capabilities for downloading to DCH?
- B-8 What are the system's web-based, VPN or internet capabilities for obtaining information from and submitting information to CMS, the PBM and the fiscal agent?
- B-9 What system modifications, upgrades and updates, have been made for HIPAA compliance?
- B-10 Identify the NCPDP format(s) currently used to accept and output rebate data.
- B-11 Describe the accessibility and security of system information to manufacturers.
- B-12 What procedures will be in place to prevent unauthorized physical access and utilization of the rebate system?
- B-13 What are the capabilities and limitations for desktop queries by DCH?
- B-14 What interface protocols does the system support (i.e. https/http, IP socket)?
- B-15 Describe system capabilities for displaying entry and exit dates of labelers.
- B-16 Describe the ability of the system to process on-line payments.
- B-17 Is imaging used for the rebate process? If not is it planned and how soon will it be implemented.
- B-18 Describe the security features of your system and their advantages.
- B-19 What is the maximum amount of claims data that the current system can process with efficiency without delay or partial processing of a quarterly file?
- B-20 Detail the process for adjusting rebates paid previously in which the transaction is greater than 10 years past.

- B-21 Explain your preference for receiving information from the PBM (direct connect, VPN, Internet) and any other capabilities that are available.

**C. Invoice Production Process, Accounting and Reporting**

- C-1 Give a description of the invoice production process. Provide a sample of the invoice that will be sent
- C-2 Describe the rebate calculation methodology.
- C-3 What is the minimum amount that is considered a write-off and not significant for collection?
- C-4 Describe the method of interest calculation, invoicing and the collection process.
- C-5 Describe the process of regenerating multiple invoices.
- C-6 How are NDCs with zero RPU's handled?
- C-7 How does the system handle adjustments to RPU's from CMS?
- C-8 Explain the process for calculation and submission of invoices for supplemental rebates. Provide a sample of the invoice that will be sent.
- C-9 What method is used to determine and verify current PHS providers?
- C-10 What are the system capabilities for the exclusion of the PHS providers?
- C-11 Describe the invoicing process for compound prescriptions and claims utilizing J-codes.
- C-12 Describe the method of adjusting for PPAs (Prior Period Adjustments)?
- C-13 Describe the method of adjusting calculations for PQAs (Prior Quarter Adjustments)?
- C-14 Describe the capability for the provision of electronic and hard copy invoices.
- C-15 What will be the standard method of providing invoices to the manufacturers?
- C-16 Describe the process of posting rebate payment information including timing parameters and other pertinent considerations.
- C-17 How are accounts reconciled when payment information is received?
- C-18 Explain the use and necessity of subsidiary ledgers. If used.
- C-19 How are account records maintained and updated?
- C-20 What processes are used to collect past due balances?
- C-21 What are the write-off procedures?

- C-22 Give a listing of available reports with a synopsis, purpose and sample of each that will be sent to DCH quarterly.
- C-23 Describe DCH's ease and capabilities with the on-line system for the production of interim reports.
- C-24 List the type of data and forms required by CMS and describe the reporting process.
- C-25 Outline the timeframes and the adherence requirements to the regulations for the complete rebate process.
- C-26 Provide a flowchart of the dispute resolution process.
- C-27 Describe the process of obtaining and using claims level detail in the resolution of disputes.
- C-28 Describe the process for acquisition, verification and use of accurate data for disputed units.
- C-29 Describe the process of notification and action to be taken with labelers that do not respond with second and final notices.
- C-30 Describe the circumstances that require and necessitate informing CMS of uncooperative manufacturers.
- C-31 Give a description of the hearing process for disputes.
- C-32 Describe the situations that require informing DCH of delinquent and/or uncooperative manufacturers.
- C-33 Describe the process for negotiations of special/Supplemental Rebates on behalf of the State.
- C-34 Give a full description of the methodology for obtaining data and invoicing manufacturers for special/Supplemental Rebates.
- C-35 Give the details involved in processing adjustments of Supplemental Rebates for NDCs with Prior Period Adjustments for regular rebates.
- C-36 Provide a description of the reconciliation process for paid invoices for both the national rebates and the Supplemental Rebates.
- C-37 Explain the reporting process for the Supplemental Rebates to both the State and CMS.
- C-38 List the steps required and to be utilized for collection of delinquent special/Supplemental Rebates, including adherence to time parameters.

#### **D. Implementation**

- D-1 Give a detailed description of how the requirements will be met.

D-2 Provide a comprehensive work plan including time frames for required processes.

D-3 What is your understanding of the anticipated implementation time frames?

**E. Control Procedures**

E - 1 How is receipt of utilization data from the PBM and the fiscal agent documented and verified?

E - 2 Describe the process of receipt, logging and processing of information on the CMS rebate file tape.

E - 3 What review procedures are in place to ensure accuracy of invoices sent to manufacturers?

E - 4 How is payment information received from DCH documented, ascertained as accurate, and handled for processing?

E- 5 What quality assurance and monitoring processes are in place for the rebate process?

E- 6 What processes prevent the submission of duplicate invoices?

E - 7 What are the correction procedures for non-compliance issues?

E- 8 Describe the handling of the documents and envelopes received from DCH.

E -9 How will changes be implemented, and what are the escalation procedures for associated problems?

**F. Operational Support/ Project Organization and Staffing**

F-1 What will be the Metro Atlanta location and the amount of space designated for operations locally?

F-2 Discuss your understanding of the required hours of operation and your plan to meet the Department's requirements.

F-3 Describe the communication flow and assistance that will be provided to DCH.

F-4 How will data relevant to updates or changes be supplied to DCH?

F-5 How will DCH be notified and how much advance notice will be given for installation or deliveries of product updates affecting operations?

F-6 What procedures are in place to ensure that program changes and new releases are authorized and approved?

F-7 Provide an organizational chart identifying necessary personnel with descriptions of the functions and responsibilities for this account for the various phases and for the contract's duration. Indicate the number of each of the following staff members required for the project:

Overall Account Manager  
Project Manager  
Pharmacists (indicate how many) and location of each  
Support staff  
Technical staff  
Implementation Coordinator  
Reporting/Data Coordinator

- F-8 DCH expects appropriate individuals to be dedicated to DCH 100%. Indicate the percentage of each individual's time that you propose in D-7.
- F-9 Supply names and resumes' of key managerial staff, site manager and pharmacist(s), dedicated to this account to be located at a local site. If positions are not currently filled provide employment experience criteria and requirements for each position.
- F-10 Define the staff located off-site responsible for this contract and the percentage of time to be dedicated to it.
- F-11 Describe the type of training provided to current and incoming staff in preparation for the tasks required by the anticipated contractual agreement.
- F-12 Define the authority of the Overall Project Manager and the Project Manager.

**G. Customization Phase**

- G-1 Define the proposed system design.
- G-2 Describe the ability of the company to customize its existing program for new business.
- G-3 Describe hardware, software and telecommunications licenses held and required indicating additions that may need to be procured.
- G-4 Indicate the number and types of telephone lines required and other equipment to be used including the timeframes for obtaining each and dates of usability.
- G-5 Give a description of the dial up capability that will be provided and other access that will be available to DCH or manufacturers.
- G-6 Describe the conversion methodology and processes that will be implemented to begin the rebate process.
- G-7 Provide the file format to DCH for comparison of compatibility to the PBM and Fiscal agent.
- G-8 Describe the flow of communication that you use, or will use, in performing the functions required under this RFP as they relate to the Manufacturers.

**H. Testing Phase**

- H-1 Give a detailed description of the testing that will be done to ensure readiness.

- H-2 What are the time requirements for the testing process?
- H-3 Describe the full production simulation that will demonstrate readiness to process rebates.

**I. Implementation Phase**

- I-1 Describe the implementation process and each of the phases.

**J. Operations/Maintenance Phase**

- J-1 Provide a copy of your current policies and procedures manual.
- J-2 Give a description and flowchart of user support and training to be provided.
- J-3 Describe scheduled updates and maintenance to database, manuals and communications technology upgrades.

**K. Disaster Recovery**

- K-1 Describe the process of recovery from disaster at the central business office, local office or other facility and the reporting process to DCH.
- K-2 Submit details for the procedures that are in place to minimize loss of records and data.
- K-3 Describe the amount of time required to restart and begin processing of rebate information after disaster at the home facility and at the local facility.

**L. Record Retention**

- L-1 Give a detailed description of features for security, maintenance and confidentiality of information on rebate tapes, reports and accounting records.
- L-2 Describe record maintenance protocols and length of time covered.
- L-3 Give a detailed description of the retrieval process and its timeliness.

**M. Turnover Tasks and Plan**

- M-1 Describe the turnover plan for completion of the contract.
- M-2 Detail the process and time frames.

**APPENDIX J**  
**REFERENCE FORMS**

Please use this form to address the reference requirements in Appendix I, Section A, #2 for your firms experience with government projects within the last three (3) years. **DCH will consider the performance history from proposed Offerors who have or are currently doing business with the DCH or the State of Georgia or both during the evaluation phase of this procurement.**

Organization 1: \_\_\_\_\_

Point of Contact \_\_\_\_\_

Mailing Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Description of Project \_\_\_\_\_

Term of Project \_\_\_\_\_

Organization 2: \_\_\_\_\_

Point of Contact \_\_\_\_\_

Mailing Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Description of Project \_\_\_\_\_

Term of Project \_\_\_\_\_

Organization 3: \_\_\_\_\_

Point of Contact \_\_\_\_\_

Mailing Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Email Address \_\_\_\_\_

Description of Project \_\_\_\_\_

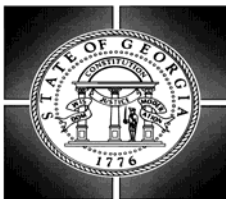
Term of Project \_\_\_\_\_

**APPENDIX K**

**FORM TO BE USED FOR QUESTIONS**

<b>Written Questions for RFP No.</b>	<b>41900-001-0000000012</b>
<b>RFP Title</b>	<b>Medicaid Fee-for-Service Drug and Supplemental Rebate Programs</b>

	<b>Question</b>	<b>Answer</b>



**Department of Administrative Services**

***Trust □ Excellence □ Service***

**State Purchasing Office**

**200 Piedmont Avenue, SE, Suite 1308 West Tower**

**Atlanta, Georgia 30334-9010**

**Phone Number: 404-657-6000**

**Fax Number: 404-657-4528**

**Request for Proposal Number: 419-001-0000000012**

**Addendum Number: 01 Dated: February 20 , 2004**

**Commodity or Service: Pharmacy and Supplemental Rebate Programs**

**Requesting Agency: Department of Community Health**

**RFP Initially Mailed/Posted to Internet: 2/12/04**

**Purchasing Agent: Barry Shepard Telephone No (404) 657-6000**

**RFP Due Date: March 12, 2004 Time: 1:00:00 PM ET**

**The attached information is made a part of this RFP. The purpose of this addendum is to provide the following:**

- 1) Remind all vendors to ensure there is no cost information in the Technical Proposal!**
- 2) Remind all vendors that the DOAS Bid Room hours of operation are as follows: opens at 8:00 AM and closes at 5:00 PM. There are no acceptances of packages on the weekends.**
- 3) Provide answers to written vendor questions. Please see Attachment 1.**

**Please Note & Review Carefully!**

In the event of a conflict between previously released information and the information contained herein, the latter shall control.

**NOTE: A signed acknowledgment of this addendum (this page) should be attached to your RFP response. A signature on this addendum does not constitute your signature on the original RFP document. The original RFP response must also be signed in the proper places.**

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date

## Attachment 1

Written Questions for RFP No.	41900-001-0000000012
RFP Title	Medicaid Fee-for-Service Drug and Supplemental Rebate Programs

	Question	Answer
1.	<p>Specification 1 under 4.1: Offeror must have rebate invoicing and processing experience on the national level.</p> <p>Please clarify. Is this requirement fulfilled by having experience in invoicing and processing beyond one state, in all 50 states or some percentage there-of?</p>	<b>The requirement is fulfilled by having experience beyond one state.</b>
2.	<p>Specification under 4.2 requiring all parties to the bid process to individually (per company) meet the minimum standards/requirements and have <b>ALL</b> of the experiences and capabilities:</p> <p>a. If two companies submit a proposal together, would both companies be required to maintain a local office for account management and an off-site storage facility as specified in the RFP?</p> <p>b. Would hiring a Georgia licensed pharmacist with a home office within a 25 mile radius of DCH's office satisfy the requirement for a local office for account management?</p>	<p><b>A. No they would not.</b></p> <p><b>B. No. The physical office must be located in Georgia and occupied by the dedicated staff assigned to the Georgia account.</b></p>
3.	<p>Specification under 4.2 that award of this rebate business will not result in more than a 30% increase over the current volumes of rebate business.</p> <p>Please clarify. How is the 30% increase defined/calculated? (i.e. number of claims processed, dollar volume, etc.)</p>	<b>The 30% increase is defined/calculated on the number of claims processed.</b>
4.	<p>Specification under 4.3 General Requirements: The rebate vendor is required to have the capability of expanding the scope of operations to include negotiations, invoicing and accounting for drug rebates in conjunction with other initiatives or programs that DCH may choose to participate.</p>	<b>See Answer on Next Page</b>

	Question	Answer
4. cont'd	<p>a. Please clarify. Is it the State of Georgia's intention to keep the Preferred Drug List (PDL) and Supplemental Rebate Programs separate (i.e. different vendors) at this time?</p> <p>b. What vendor currently holds the contract for the PDL and for how long does that contract extend?</p>	<p><b>A. The PDL and Supplemental Rebate program are supported by claims adjudication through POS submission to the Department's PBM.</b></p> <p><b>B. The current vendor is Express Scripts, Inc. and the contract extends through June 30, 2004.</b></p>
5.	<p>Specification under 4.3.1 Acquisition of Data: In order to create drug rebate invoices the Offeror must acquire claims data from DCH's PBM or Fiscal Agent or both at its own expense.</p> <p>Please clarify: Who sets the price for acquisition of data? Is this a pass-along cost to the state?</p>	<p><b>The Fiscal Agent or the PBM or both determine the price for the acquisition of data. The cost is not a pass-along to the State. It is the Offeror's cost of doing business.</b></p>
6.	<p>Specification under 4.3.13 Vendor's Access to Fiscal Agent and Pharmacy Benefit Manager's Systems: Access to both systems will be at successful Offeror's expense.</p> <p>Please clarify: Who sets the price for access? Is this a pass-along cost to the state?</p>	<p><b>The Fiscal Agent or the PBM or both determine the vendor's access to their systems. The cost is not a pass-along to the State. It is the Offeror's cost of doing business.</b></p>